



**BOROUGH OF GLEN RIDGE
ESSEX COUNTY, NEW JERSEY
REPORT ON
EXAMINATION OF ACCOUNTS
DECEMBER 31, 2013**

BOROUGH OF GLEN RIDGE
COUNTY OF ESSEX, NEW JERSEY

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PART I
REPORT ON EXAMINATION
FINANCIAL STATEMENTS
NOTES TO FINANCIAL STATEMENTS
AND
SUPPLEMENTARY DATA
YEAR ENDED DECEMBER 31, 2013

Independent Auditors' Report

The Honorable Mayor and Members
of the Borough Council
Borough of Glen Ridge
Glen Ridge, New Jersey

Report on the Financial Statements

We have audited the accompanying regulatory basis financial statements of the various funds of the Borough of Glen Ridge, County of Essex, New Jersey (the "Borough") as of and for the years ended December 31, 2013 and 2012, the statements of revenues, expenditures and changes in fund balances for the year ended December 31, 2013 and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States; and audit requirements as prescribed by the Division. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the regulatory basis financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion

Management has prepared the financial statements in conformity with accounting practices prescribed by the Division, which are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. These practices differ in certain respects, which in some instances may be material, from accounting principles generally accepted in the United States of America applicable to local government units. The more significant of these practices are described in Note 1 to the financial statements.

Qualified Opinion

In our opinion, because of the Borough's policy to prepare its financial statements on the basis of accounting discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Borough as of December 31, 2013 or the results of its operations for the year then ended.

Unmodified Opinion

In our opinion, the regulatory basis financial statements referred to above present fairly, in all material respects, the respective financial position of the various funds of the Borough of Glen Ridge, Essex County, New Jersey, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles and practices prescribed by the Division, as described in Note 1 to the financial statements.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the regulatory basis financial statements that collectively comprise Borough's basic financial statements.

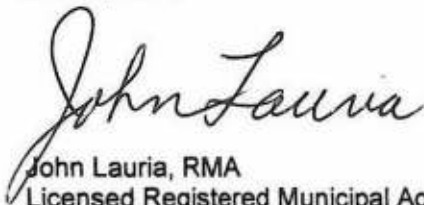
The information included in the supplemental sections is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental sections is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2014 on our consideration of the Borough's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough's internal control over financial reporting and compliance.



Livingston, New Jersey
June 6, 2014



John Lauria, RMA
Licensed Registered Municipal Accountant # 403

BOROUGH OF GLEN RIDGE
CURRENT FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

A
Sheet # 1

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Cash	A-4	\$ 4,384,883.10	\$ 3,434,033.48
Change Funds	A-5	170.00	170.00
Prepaid School Tax	A-22	136,330.13	141,325.63
		<u>4,521,383.23</u>	<u>3,575,529.11</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-7	303,109.02	251,820.51
Tax Title Liens	A-8	23,604.63	22,289.64
Property Acquired for Taxes at Assessed Valuation	A-9	410.00	410.00
Revenue Accounts Receivable	A-10	12,717.59	11,625.06
Interfunds Receivable	A-11	99,597.91	52,373.70
		<u>439,439.15</u>	<u>338,518.91</u>
Deferred Charges:			
Emergency Authorizations	A-12	243,500.00	
Special Emergency NJSA 40A:4-55.1	A-13		109,456.04
Special Emergency NJSA 40A:4-53	A-14	434,719.15	600,000.00
		<u>678,219.15</u>	<u>709,456.04</u>
		<u>5,639,041.53</u>	<u>4,623,504.06</u>
Federal and State Grant Fund:			
Federal and State Grants Receivable	A-27	21,729.03	38,950.00
Interfunds Receivable	A-28	73,597.49	41,510.05
		<u>95,326.52</u>	<u>80,460.05</u>
		<u>\$ 5,734,368.05</u>	<u>\$ 4,703,964.11</u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
CURRENT FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

A
Sheet # 2

<u>LIABILITIES, RESERVES AND FUND BALANCE</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Expenditure Reserves:			
Appropriation Reserves:			
Encumbered	A-3, A-15	\$ 217,371.69	\$ 305,868.84
Unencumbered	A-3, A-15	408,346.64	383,741.98
Due to State of New Jersey:			
Ch. 129, P.L. 1976	A-6	2,370.30	2,236.44
Interfunds Payable	A-11	573,626.85	56,760.45
Accounts Payable	A-16		31,817.78
Due to State of New Jersey:			
Other Fees	A-17	5,478.00	2,945.00
Tax Overpayments	A-18	125,887.92	38,006.88
Inspection Fees Payable	A-19	760.00	1,318.00
Emergency Note Payable	A-23	678,120.00	709,456.04
Tax Anticipation Note Payable	A-24	1,800,000.00	1,595,000.00
Reserve for Prepaid School Tax	A-25	136,330.13	141,325.63
Prepaid Taxes	A-26	144,651.62	321,065.97
Sub-Total		<u>4,092,943.15</u>	<u>3,589,543.01</u>
Reserve for Receivables and Other Assets		439,439.15	338,518.91
Fund Balance	A-1	<u>1,106,659.23</u>	<u>695,442.14</u>
		<u>5,639,041.53</u>	<u>4,623,504.06</u>
 Federal and State Grant Fund:			
Appropriated Reserves	A-29	93,848.83	62,722.92
Unappropriated Reserves	A-30	1,477.69	17,737.13
		<u>95,326.52</u>	<u>80,460.05</u>
		<u>\$ 5,734,368.05</u>	<u>\$ 4,703,964.11</u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
CURRENT FUND

COMPARATIVE STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2013 AND 2012

A-1

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	A-2	\$ 424,136.98	\$
Miscellaneous Revenue Anticipated	A-2	1,719,724.29	1,853,498.13
Receipts from Delinquent Taxes	A-2a	251,820.51	282,218.78
Receipts from Current Taxes	A-2a	44,141,612.49	42,664,381.62
Nonbudget Revenue	A-2b	102,092.84	104,143.11
Other Credits to Income:			
Appropriation Reserves Lapsed	A-15	147,562.36	86,908.66
Tax Overpayments Cancelled			147,607.44
Increase in Deferred School Tax	A-21	256,771.50	156,801.50
Total Revenue and Other Income		<u>47,043,720.97</u>	<u>45,295,559.24</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages		4,259,758.58	4,174,383.68
Other Expenses		5,689,296.15	6,062,398.56
Capital Improvements		303,145.00	100,000.00
Debt Service		653,087.53	603,395.35
Statutory Expenditures and Deferred Charges		1,270,245.89	1,129,462.81
	A-3	<u>12,175,533.15</u>	<u>12,069,640.40</u>
Interfund Advances	A-11	47,224.21	42,963.10
State Tax Court Judgments			3,045.16
County Taxes	A-20	7,235,127.41	6,712,794.20
Local District School Tax	A-21	26,857,652.00	26,344,109.00
Reserve for Prepaid School Tax	A-25	136,330.13	141,325.63
Total Expenditures		<u>46,451,866.90</u>	<u>45,313,877.49</u>
Excess (Deficit) in Revenue		591,854.07	(18,318.25)
Adjustments to Income before Fund Balance:			
Expenditures Include Above Which are by Statute			
Deferred Charges to Budget of Succeeding Year	A-3	<u>243,500.00</u>	<u>600,000.00</u>
Statutory Excess to Fund Balance		835,354.07	581,681.75
<u>Fund Balance</u>			
Balance, Beginning of Year	A	<u>695,442.14</u>	<u>113,760.39</u>
		1,530,796.21	695,442.14
Decreased by:			
Utilized as Anticipated Revenue	Above	<u>424,136.98</u>	
Balance, End of Year	A	<u>\$ 1,106,659.23</u>	<u>\$ 695,442.14</u>

See accompanying note to financial statements.

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-2

	Ref.	Anticipated Budget	Realized	Excess or (Deficit)
Fund Balance Appropriated	A-1	\$ 424,136.98	\$ 424,136.98	\$
<u>Miscellaneous Revenues</u>				
Alcoholic Beverage Licenses	A-10	10,000.00	10,000.00	
Other Licenses	A-2a	400.00	643.00	243.00
Fees and Permits	A-2a	160,000.00	141,441.10	(18,558.90)
Municipal Court Fines and Costs	A-10	155,000.00	134,245.35	(20,754.65)
Other Fines and Costs	A-10	4,500.00	5,660.69	1,160.69
Interest and Cost on Taxes	A-10	55,000.00	73,519.37	18,519.37
Parking Lot Fees	A-10	50,000.00	61,542.82	11,542.82
Recreation Receipts	A-10	75,000.00	77,486.00	2,486.00
Rental of Hurrell Field	A-10	25,000.00	25,000.00	
Cable TV Franchise Fee	A-10	46,112.14	46,112.14	
Consolidated Municipal Property Tax				
Relief Aid	A-10	54,880.00	54,880.00	
Energy Receipts Tax	A-10	344,661.00	344,660.74	(0.26)
Uniform Construction Code Fees	A-10	131,500.00	158,942.00	27,442.00
PILOT - Project Live	A-10	6,000.00	4,599.41	(1,400.59)
FEMA- Hurricane Sandy	A-10	220,736.89	220,736.89	
Jitney Fees	A-10	52,000.00	52,069.00	69.00
Additional Fees- Rental of Other Athletic Fields	A-10	50,000.00	50,000.00	
Recycling	A-10	42,000.00	27,947.55	(14,052.45)
Mountainside Hospital Sewer Fee	A-10	9,410.00	9,410.00	
Liquidation of the Reserve for				
Prepaid School Tax	A-25	141,325.63	141,325.63	
		<u>1,633,525.66</u>	<u>1,640,221.69</u>	<u>6,696.03</u>
Federal and State Grants:				
Clean Communities Program		11,078.96	11,078.96	
Drunk Driving Enforcement Fund		10,268.33	10,268.33	
Municipal Alliance on Alcohol and Drug				
Abuse		38,895.00	38,895.00	
Recycling Tonnage Grant		8,779.88	8,779.88	
Alcohol, Education and Rehabilitation		3,243.80	3,243.80	
Drive Sober or Get Pulled Over		4,225.00	4,225.00	
State Body Armor Replacement Fund		3,011.63	3,011.63	
	A-11	<u>79,502.60</u>	<u>79,502.60</u>	
Total Miscellaneous Revenue	A-1	<u>1,713,028.26</u>	<u>1,719,724.29</u>	<u>6,696.03</u>
Receipts from Delinquent Taxes	A-2a	<u>250,000.00</u>	<u>251,820.51</u>	<u>1,820.51</u>
Amount to be Raised by Taxes for Support of Municipal Budget:				
Local Tax for Municipal Purpose		9,874,627.15		
Minimum Library Tax		487,701.66		
	A-2a	<u>10,362,328.81</u>	<u>10,731,924.82</u>	<u>369,596.01</u>
		12,749,494.05	13,127,606.60	378,112.55
Nonbudget Revenue	A-2b		<u>102,092.84</u>	<u>102,092.84</u>
	A-3	<u>\$ 12,749,494.05</u>	<u>\$ 13,229,699.44</u>	<u>\$ 480,205.39</u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF REVENUE
ANALYSIS OF REALIZED REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-2a

<u>Allocation of Tax Collections</u>	<u>Ref.</u>	<u>Total</u>	<u>Receipts from Delinquent Taxes</u>	<u>Current Tax Collections</u>
Taxes Receivable Cash Receipts	A-7	\$44,036,634.75	\$ 251,820.51	\$43,784,814.24
Exemptions Granted	A-7	35,732.28		35,732.28
Prepaid Taxes Applied	A-7	321,065.97		321,065.97
Total Revenue	A-1	44,393,433.00	251,820.51	44,141,612.49
Allocated to:				
County Levy and Added Taxes	A-20	(7,235,127.41)		(7,235,127.41)
Local District School Taxes	A-21	(26,857,652.00)		(26,857,652.00)
Plus: Reserve for Uncollected Taxes	A-3	683,091.74		683,091.74
Realized Revenue	A-2	<u>\$10,983,745.33</u>	<u>\$ 251,820.51</u>	<u>\$10,731,924.82</u>
<u>Other Licenses and Fees</u>		<u>Total</u>	<u>Other Licenses</u>	<u>Permits and Fees</u>
Public Works	A-10	\$ 1,612.00	\$	\$ 1,612.00
Clerk's Office	A-10	27,763.00	553.00	27,210.00
Public Safety	A-10	9,347.50		9,347.50
Fire Inspections	A-10	10,765.00		10,765.00
Board of Health	A-10	42,163.60	90.00	42,073.60
Construction Official	A-10	50,433.00		50,433.00
Realized Revenue	A-2	<u>\$ 142,084.10</u>	<u>\$ 643.00</u>	<u>\$ 141,441.10</u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF REVENUE
ANALYSIS OF NONBUDGET REVENUE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-2b

Ref.

Miscellaneous Revenue Not Anticipated

Cash Receipts:

Prior Year Void Checks	\$ 1,072.00
Insurance Refund	1,620.00
Sale of Municipal Assets	2,277.35
Cost of Tax Sale	1,153.98
Board of Adjustment Fees	1,650.00
Alarm Fees	1,000.00
Prior Year Refund	1,849.67
Duplicate Tax Bills	250.00
Police	260.00
Bad Check Fee	145.00
Photocopies	2,873.13
Polling Place Rental	240.00
Premium on Sale of Notes	3,971.00
Community Fund Donation	2,400.00
Gasoline Purchases - Board of Education	5,470.90
DMV Fines	2,250.00
Administrative Fee - Senior Citizens and Veterans	717.32
Other	<u>939.28</u>

A-4

\$ 30,139.63

Administrative Fee - Police Special Duty	60,643.77
Excess Animal Control Fund Balance	8,858.09
Interfund Receivable	<u>2,451.35</u>

A-11

71,953.21

A-1, A-2

\$102,092.84

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-3
Sheet # 1

Appropriation	Appropriations		Paid or Charged	Expended		Canceled
	Budget	Modified Budget		Reserved		
				Encumbered	Unencumbered	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>GENERAL GOVERNMENT</u>						
Administrative and Executive:						
Salaries and Wages	\$ 103,702.09	\$ 103,702.09	\$ 101,522.17	\$	\$ 2,179.92	\$
Other Expenses	55,000.00	55,600.00	46,819.49	8,659.62	120.89	
Elections:						
Salaries and Wages						
Other Expenses	3,800.00	3,885.00	3,884.81		0.19	
Financial Administration:						
Salaries and Wages	81,021.66	81,021.66	71,816.03		9,205.63	
Other Expenses	58,600.00	58,600.00	33,402.87	17,632.49	7,564.64	
Annual Audit	28,000.00	28,000.00	4,725.00		23,275.00	
Assessment of Taxes:						
Salaries and Wages	32,640.00	33,000.00	32,997.32		2.68	
Other Expenses	9,000.00	9,000.00	7,376.68	90.00	1,533.32	
Collection of Taxes:						
Salaries and Wages	74,700.00	84,460.00	84,456.58		3.42	
Other Expenses	7,400.00	7,800.00	7,128.32	654.43	17.25	
Community Affairs and Public Relations:						
Other Expenses	30,000.00	30,000.00	27,471.97	1,227.34	1,300.69	
Legal Services and Costs:						
Salaries and Wages	15,681.02	15,681.02	2,128.35		13,552.67	
Other Expenses	97,870.00	97,870.00	33,140.06	45.20	64,684.74	
Engineering Services and Costs:						
Salaries and Wages	72,849.42	72,849.42	71,977.16		872.26	
Other Expenses	29,000.00	29,000.00	18,998.45	9,396.89	604.66	
Public Buildings and Grounds:						
Salaries and Wages	43,809.00	43,809.00	34,301.75		9,507.25	
Other Expenses	56,500.00	56,500.00	44,366.25	8,406.52	3,727.23	
Planning Board:						
Other Expenses	5,000.00	5,000.00	3,335.00	225.92	1,439.08	
Board of Adjustment:						
Other Expenses	4,600.00	4,600.00	2,804.84	992.00	803.16	
Shade Tree Commission:						
Salaries and Wages	1,100.00	1,900.00	1,872.91		27.09	
Other Expenses	82,000.00	82,000.00	37,868.67	43,069.50	1,061.83	
Insurance:						
Surety Bond Premiums						
General Liability	299,046.00	299,046.00	289,634.00		9,412.00	
Workers Compensation	156,046.00	156,046.00	156,046.00			
Employee Group Health	789,615.84	789,615.84	722,081.69		33,534.15	34,000.00
Municipal Court:						
Salaries and Wages	181,720.00	190,720.00	190,205.97		514.03	
Other Expenses	18,000.00	20,000.00	19,177.53	702.24	120.23	
Public Defender:						
Salaries and Wages	5,304.00	5,304.00	5,226.08		77.92	

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-3
Sheet # 2

Appropriation	Appropriations		Paid or Charged	Expended		Canceled
	Budget	Modified Budget		Reserved		
				Encumbered	Unencumbered	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>PUBLIC SAFETY</u>						
Department of Public Safety:						
Salaries and Wages	\$ 2,341,572.73	\$ 2,282,757.73	\$ 2,184,452.49	\$	\$ 48,305.24	\$ 50,000.00
Other Expenses	186,468.00	186,468.00	153,007.11	31,928.42	1,532.47	
Life Hazard Use Fees:						
Other Expenses	13,260.00	13,260.00	10,161.54		3,098.46	
Crossing Guards:						
Salaries and Wages	125,752.50	125,752.50	116,599.04		9,153.46	
Police Dispatchers:						
Salaries and Wages	259,949.38	280,949.38	277,594.37		3,355.01	
Aid to Volunteer Ambulance Companies:						
Other Expenses	9,000.00	9,000.00	9,000.00			
Fire Suppression Contract:						
Other Expenses						
Municipal Prosecutor:						
Salaries and Wages	22,298.22	22,938.22	22,937.44		0.78	
<u>STREETS AND ROADS</u>						
Road Repair and Maintenance:						
Salaries and Wages	214,532.84	218,732.84	218,658.62		74.22	
Other Expenses	68,000.00	66,000.00	45,906.81	12,756.17	7,337.02	
Storms:						
Salaries and Wages	30,000.00	30,000.00	16,319.37		13,680.63	
Other Expenses	10,000.00	10,000.00	1,674.41	49.00	8,276.59	
<u>SANITATION</u>						
Sewer System:						
Salaries and Wages	3,300.00	3,300.00	2,133.16		1,166.84	
Other Expenses	10,000.00	10,000.00	8,186.12		1,813.88	
Emergency Sewer Repairs		243,500.00	243,255.99	244.01	0.00	
Garbage and Trash Removal:						
Other Expenses	860,000.00	860,000.00	804,132.01	47,538.00	8,329.99	
<u>HEALTH AND WELFARE</u>						
Board of Health:						
Salaries and Wages	46,371.00	35,371.00	35,180.43		190.57	
Other Expenses	3,200.00	3,200.00	2,567.56	409.93	222.51	
Administration of Public Assistance:						
Other Expenses						

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-3
Sheet # 3

Appropriation	Appropriations		Paid or Charged	Expended		Canceled
	Budget	Modified Budget		Encumbered	Reserved Unencumbered	
<u>APPROPRIATIONS WITHIN "CAPS"</u>						
<u>RECREATION AND EDUCATION</u>						
Parks and Playgrounds:						
Salaries and Wages	\$ 149,960.00	\$ 149,960.00	\$ 148,051.73	\$	\$ 1,908.27	\$
Other Expenses	87,700.00	87,700.00	79,962.87	5,136.64	2,600.49	
Hurrell Field:						
Salaries and Wages	65,780.00	69,690.00	67,682.50		2,007.50	
Other Expenses	49,000.00	49,000.00	47,052.41	1,165.53	782.06	
Recreation:						
Salaries and Wages	198,000.00	198,000.00	197,366.03		633.97	
Other Expenses	64,000.00	64,000.00	53,606.45	4,434.39	5,959.16	
Jitney Operation:						
Salaries and Wages	86,197.88	96,197.88	91,710.70		4,487.18	
Other Expenses	17,000.00	17,000.00	15,342.76	701.19	956.05	
Health Waiver	12,040.03	14,190.03	14,185.32		4.71	
<u>UNIFORM CONSTRUCTION CODE</u>						
Construction Code Officials:						
Inspection of Buildings:						
Salaries and Wages	163,661.84	163,661.84	154,283.79		9,378.05	
Other Expenses	7,000.00	7,200.00	6,747.22	308.60	144.18	
<u>UNCLASSIFIED</u>						
Electricity	115,000.00	115,000.00	104,928.77	936.65	9,134.58	
Gasoline, Diesel Fuel and Lubricants	125,000.00	125,000.00	97,081.60	20,544.87	7,373.53	
Street Lighting	210,000.00	210,000.00	190,776.84		19,223.16	
Total Operations Within "CAPS"	7,894,049.45	8,132,839.45	7,475,311.41	217,255.55	356,272.49	84,000.00
Detail:						
Salaries and Wages	4,319,903.58	4,309,758.58	4,129,473.99		130,284.59	50,000.00
Other Expenses	3,574,145.87	3,823,080.87	3,345,837.42	217,255.55	225,987.90	34,000.00
<u>STATUTORY EXPENDITURES</u>						
Contributions to:						
Public Employees' Retirement System	231,257.00	231,257.00	231,257.00			
Social Security System (OASI)	160,000.00	160,000.00	156,799.87		3,200.13	
State Unemployment Insurance	20,000.00	20,000.00	20,000.00			
Police and Firemen's Retirement System	584,252.00	584,252.00	584,252.00			
	995,509.00	995,509.00	992,308.87		3,200.13	
Total Appropriations Within "CAPS"	8,889,558.45	9,128,348.45	8,467,620.28	217,255.55	359,472.62	84,000.00

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-3
Sheet # 4

Appropriation	Appropriations		Paid or Charged	Expended		Canceled
	Budget	Modified Budget		Encumbered	Reserved Unencumbered	
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
<u>OTHER OPERATIONS</u>						
Maintenance of Free Public Library	\$ 598,186.00	\$ 598,186.00	\$ 561,474.12	\$ 116.14	\$ 36,595.74	\$
Recycling Tax	12,000.00	12,000.00			12,000.00	
Joint Outlet Sewer Maintenance	490,566.68	495,276.68	495,275.61		1.07	
Group Health Insurance	50,369.16	50,369.16				50,369.16
	<u>1,151,121.84</u>	<u>1,155,831.84</u>	<u>1,056,749.73</u>	<u>116.14</u>	<u>48,596.81</u>	<u>50,369.16</u>
<u>Interlocal Municipal Service Agreements</u>						
Township of Bloomfield:						
Health Services	26,260.00	26,260.00	26,260.00			
Township of Montclair:						
Fire Prevention Suppression Contract						
Other Expenses	625,000.00	625,000.00	625,000.00			
Township of Bloomfield:						
Animal Control Services						
Other Expenses	15,492.00	15,492.00	15,492.00			
Township of Montclair:						
Sanitary Sewer						
Other Expenses	38,760.00	38,760.00	38,760.00			
	<u>705,512.00</u>	<u>705,512.00</u>	<u>705,512.00</u>			
<u>PUBLIC AND PRIVATE PROGRAMS OFFSET</u>						
<u>BY REVENUES</u>						
Municipal Alliance on Alcoholism and Drug Abuse	38,895.00	38,895.00	38,895.00			
Municipal Alliance on Alcoholism and Drug Abuse-Match	9,738.00	9,738.00	9,738.00			
Clean Communities Grant	11,078.96	11,078.96	11,078.96			
Body Armor Replacement Fund	3,011.63	3,011.63	3,011.63			
Recycling Tonnage Grant	8,779.88	8,779.88	8,779.88			
Alcohol Education Program	3,243.80	3,243.80	3,243.80			
Drunk Driving Enforcement Fund	10,268.33	10,268.33	10,268.33			
Drive Sober or Get Pulled Over	4,225.00	4,225.00	4,225.00			
Total Public and Private Programs	<u>89,240.60</u>	<u>89,240.60</u>	<u>89,240.60</u>			
Total Operations Excluded from "CAPS"	<u>1,945,874.44</u>	<u>1,950,584.44</u>	<u>1,851,502.33</u>	<u>116.14</u>	<u>48,596.81</u>	<u>50,369.16</u>
<u>Detail:</u>						
Salaries and Wages						
Other Expenses	<u>1,945,874.44</u>	<u>1,950,584.44</u>	<u>1,851,502.33</u>	<u>116.14</u>	<u>48,596.81</u>	<u>50,369.16</u>
<u>CAPITAL IMPROVEMENTS</u>						
Capital Improvement Fund	158,000.00	158,000.00	158,000.00			
Public Safety Equipment	145,145.00	145,145.00	144,867.79		277.21	
	<u>303,145.00</u>	<u>303,145.00</u>	<u>302,867.79</u>		<u>277.21</u>	

BOROUGH OF GLEN RIDGE
CURRENT FUND

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

A-3
Sheet # 5

Appropriation	Appropriations		Paid or Charged	Expended		Canceled
	Budget	Modified Budget		Encumbered	Reserved Unencumbered	
<u>APPROPRIATIONS EXCLUDED FROM "CAPS"</u>						
<u>DEBT SERVICE</u>						
Payment of Bond Principal	\$ 300,000.00	\$ 300,000.00	\$ 300,000.00	\$	\$	\$
Interest on Bonds	161,975.00	161,975.00	161,975.00			
Interest on Notes	33,810.00	33,810.00	33,810.00			
Tax Appeal Refunding	96,820.00	96,820.00	96,820.00			
Loan Repayments for Principal	36,641.61	36,641.61	36,641.61			
Clean Water Infrastructure Loan	23,840.92	23,840.92	23,840.92			
	<u>653,087.53</u>	<u>653,087.53</u>	<u>653,087.53</u>			
<u>DEFERRED CHARGES</u>						
Special Emergency Authorization		-				
Special Emergency Authorizations - 5 Years	165,280.85	165,280.85	165,280.85			
Special Emergency Authorizations - 3 Years	109,456.04	109,456.04	109,456.04			
	<u>274,736.89</u>	<u>274,736.89</u>	<u>274,736.89</u>			
Total Appropriations Excluded from "CAPS"	<u>3,176,843.86</u>	<u>3,181,553.86</u>	<u>3,082,194.54</u>	<u>116.14</u>	<u>48,874.02</u>	<u>50,369.16</u>
Sub-Total Appropriations	12,066,402.31	12,309,902.31	11,549,814.82	217,371.69	408,346.64	134,369.16
Reserve for Uncollected Taxes	<u>683,091.74</u>	<u>683,091.74</u>	<u>683,091.74</u>			
Total General Appropriations	<u>\$ 12,749,494.05</u>	<u>\$ 12,992,994.05</u>	<u>\$ 12,232,906.56</u>	<u>\$ 217,371.69</u>	<u>\$ 408,346.64</u>	<u>\$ 134,369.16</u>
Ref.	A-2	Below	Below	A	A	Below
<u>Ref.</u>						
Adopted Budget	A-2, Above	\$ 12,749,494.05	\$			
Emergency Appropriation	A-1, A-12	243,500.00				
Special Emergency Appropriation	A-13		109,456.04			
Special Emergency Appropriation	A-14		165,280.85			
Reserve for Uncollected Taxes	A-2a	(683,091.74)	683,091.74			
Cash Disbursements	A-4		11,185,837.33			
Interfunds Payable	A-11		89,240.60			
Canceled	Above	<u>(134,369.16)</u>				
	A-1	<u>\$ 12,175,533.15</u>	<u>\$ 12,232,906.56</u>			

BOROUGH OF GLEN RIDGE
TRUST FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

B

<u>ASSETS</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Animal Control Fund</u>			
Cash	B-2	\$ 21,676.09	\$ 20,588.08
<u>General Trust Fund</u>			
Cash	B-2	748,716.66	269,009.32
Community Development Block Grant			
Receivable	B-3	79,000.00	39,500.00
Police Outside Service Receivable	B-4	41,185.00	5,730.00
Interfunds Receivable	B-8		230,045.07
		<u>868,901.66</u>	<u>544,284.39</u>
		<u>\$ 890,577.75</u>	<u>\$ 564,872.47</u>
<u>LIABILITIES AND RESERVES</u>			
<u>Animal Control Fund</u>			
Interfunds Payable	B-8	\$ 8,858.09	\$ 3,976.08
Due to State of New Jersey	B-5	22.20	
Prepaid Licenses	B-6	480.00	
Reserve for Expenditures	B-9	12,315.80	16,612.00
		<u>21,676.09</u>	<u>20,588.08</u>
<u>General Trust Fund</u>			
Interfunds Payable	B-8	62,461.97	48,397.62
Payroll Deductions Payable	B-7	47,137.28	40,026.29
Reserves for:			
Special Deposits	B-10	503,509.42	269,526.41
State Unemployment Compensation			
Insurance	B-11	176,764.64	146,805.72
Community Development Block			
Grant	B-12	79,000.00	39,500.00
Fund Balance	B-1	28.35	28.35
		<u>868,901.66</u>	<u>544,284.39</u>
		<u>\$ 890,577.75</u>	<u>\$ 564,872.47</u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
TRUST FUND

FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

B-1

	<u>Ref.</u>	
Balance, December 31, 2012	B	<u>\$ 28.35</u>
Balance, December 31, 2013	B	<u>\$ 28.35</u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

C

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
Cash	C-2	\$ 1,135.08	\$ 48,944.00
Due from State of New Jersey	C-4		52,500.00
Infrastructure Loan Receivable	C-5	64,657.00	64,657.00
Interfunds Receivable	C-6		15,250.40
Deferred Charges to Future Taxation:			
Funded	C-7	4,286,232.38	4,629,413.08
Unfunded	C-8	153,485.00	247,485.00
		<u>\$ 4,505,509.46</u>	<u>\$ 5,058,249.48</u>
 <u>LIABILITIES AND RESERVES</u>			
Improvement Authorizations:			
Funded	C-9	\$ 43,437.72	\$ 87,232.21
Unfunded	C-9	53,985.48	59,485.00
Interfunds Payable	C-6	25,000.00	
Capital Improvement Fund	C-10	2,836.16	80,965.70
Green Trust Loan Payable	C-11	360,193.97	389,195.95
Infrastructure Loan Payable	C-14	316,038.41	330,217.13
Serial Bonds Payable	C-13	3,610,000.00	3,910,000.00
Bond Anticipation Note	C-12	94,000.00	188,000.00
Fund Balance	C-1	17.72	13,153.49
		<u>\$ 4,505,509.46</u>	<u>\$ 5,058,249.48</u>
 Bonds and Notes Authorized but Not Issued			
	C-15	<u>\$ 59,485.00</u>	<u>\$ 59,485.00</u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

STATEMENT OF FUND BALANCE
REGULATORY BASIS
DECEMBER 31, 2013

C-1

	<u>Ref.</u>	
Balance, December 31, 2012	C	\$ 13,153.49
Increased by:		
Improvement Authorizations Canceled	C-9	17.72
		<u>13,171.21</u>
Decreased by:		
Appropriated to Fund Improvement Authorizations	C-9	13,153.49
Balance, December 31, 2013	C	<u><u>\$ 17.72</u></u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
WATER UTILITY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

D

<u>ASSETS AND DEFERRED CHARGES</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Operating Fund</u>			
Cash	D-5	\$ 245,883.84	\$ 307,246.56
Consumer Accounts Receivable	D-7	117,723.79	112,902.48
Interfunds Receivable	D-10	460.13	
		<u>364,067.76</u>	<u>420,149.04</u>
<u>Capital Fund</u>			
Cash	D-5, D-6	16,565.96	53,565.96
Fixed Capital	D-8	8,303,185.92	8,303,185.92
Fixed Capital - Authorized and Uncompleted	D-9	30,000.00	30,000.00
		<u>8,349,751.88</u>	<u>8,386,751.88</u>
		<u>\$ 8,713,819.64</u>	<u>\$ 8,806,900.92</u>
<u>LIABILITIES, RESERVES AND FUND BALANCE</u>			
<u>Operating Fund</u>			
<u>Liabilities:</u>			
Appropriation Reserves - Encumbered	D-4, D-11	\$ 8,932.25	\$ 464.40
Appropriation Reserves - Reserved	D-4, D-11	41,191.38	13,106.67
Interfunds Payable	D-10	3,737.98	230,045.07
Accrued Interest on Loans	D-16	41,569.19	32,025.42
Overpaid Water Rents	D-12	15,328.72	9,170.18
		<u>110,759.52</u>	<u>284,811.74</u>
Reserve for Receivables	Above	117,723.79	112,902.48
Fund Balance	D-1	135,584.45	22,434.82
		<u>364,067.76</u>	<u>420,149.04</u>
<u>Capital Fund</u>			
<u>Improvement Authorizations:</u>			
Funded	D-13	657.50	657.50
Loans Payable	D-14	4,497,103.47	4,833,189.33
Capital Improvement Fund	D-15	4,665.19	4,665.19
<u>Reserves for:</u>			
Future Improvement Authorizations	D-17	11,000.00	11,000.00
Amortization	D-18	3,836,082.45	3,499,996.59
Fund Balance	D-2	243.27	37,243.27
		<u>8,349,751.88</u>	<u>8,386,751.88</u>
		<u>\$ 8,713,819.64</u>	<u>\$ 8,806,900.92</u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
WATER UTILITY

COMPARATIVE STATEMENTS OF OPERATIONS
AND CHANGE IN FUND BALANCE - OPERATING FUND
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2013 AND 2012

D-1

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Revenue and Other Income</u>			
Rents	D-3	\$ 1,306,971.20	\$ 1,207,611.75
Miscellaneous Revenue Anticipated	D-3	6,241.81	4,377.51
Water Capital Surplus	D-3	37,000.00	71,848.00
Other Credits to Income:			
Appropriation Reserves Lapsed	D-11	11,548.37	
Total Income		<u>1,361,761.38</u>	<u>1,283,837.26</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages		259,015.51	282,206.00
Other Expenses		525,734.53	514,681.10
Debt Service		443,861.71	464,604.19
Statutory Expenditures		20,000.00	
Deferred Charges			22,343.07
	D-4	<u>1,248,611.75</u>	<u>1,283,834.36</u>
Statutory Excess to Fund Balance		113,149.63	2.90
<u>Fund Balance</u>			
Balance, Beginning of Year	D	<u>22,434.82</u>	<u>213,931.92</u>
		135,584.45	213,934.82
Decreased by:			
Amount Anticipated as Revenue - Current Fund			<u>191,500.00</u>
Balance, End of Year	D	<u>\$ 135,584.45</u>	<u>\$ 22,434.82</u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
WATER UTILITY

STATEMENT OF WATER CAPITAL FUND BALANCE
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

D-2

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$ 37,243.27
Decreased by:		
Anticipated Revenue	D-10	<u>37,000.00</u>
Balance, December 31, 2013	D	<u>\$ 243.27</u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
WATER UTILITY

STATEMENT OF REVENUE - OPERATING FUND
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

D-3

<u>Source</u>	<u>Ref.</u>	<u>Budget Revenue</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Rents	D-1, D-7	\$ 1,207,611.75	\$ 1,306,971.20	\$ 99,359.45
Water Capital Surplus	D-1, D-10	37,000.00	37,000.00	
Miscellaneous	D-1, D-5	<u>4,000.00</u>	<u>6,241.81</u>	<u>2,241.81</u>
	D-4	<u>\$ 1,248,611.75</u>	<u>\$ 1,350,213.01</u>	<u>\$ 101,601.26</u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
WATER UTILITY

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

D-4

<u>Appropriation</u>	<u>Appropriations</u>		<u>Expended</u>		<u>Reserved</u>	<u>Canceled</u>
	<u>Budget</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>	<u>Encumbered</u>		
<u>Operating</u>						
Salaries and Wages	\$ 279,015.51	\$ 259,015.51	\$ 254,490.24	\$	\$ 4,525.27	\$
Other Expenses	505,734.53	525,734.53	480,667.49	8,932.25	36,134.79	
<u>Debt Service</u>						
Water Supply Rehabilitation Loan	443,861.71	443,861.71	443,861.71			
<u>Statutory Expenditures</u>						
Contributions to:						
Social Security	20,000.00	20,000.00	19,468.68		531.32	
	<u>\$ 1,248,611.75</u>	<u>\$ 1,248,611.75</u>	<u>\$ 1,198,488.12</u>	<u>\$ 8,932.25</u>	<u>\$ 41,191.38</u>	<u>\$</u>
<u>Ref.</u>	D-3	D-3	Below	D	D	
<u>Ref.</u>						
Adopted Budget	Above	\$ 1,248,611.75	\$			
Cash Disbursements	D-5		1,071,843.78			
Accrued Interest on Loans	D-16		107,775.85			
Interfunds	D-10		18,868.49			
	D-1	<u>\$ 1,248,611.75</u>	<u>\$ 1,198,488.12</u>			

BOROUGH OF GLEN RIDGE
POOL UTILITY

COMPARATIVE BALANCE SHEETS
REGULATORY BASIS
DECEMBER 31, 2013 AND 2012

E

<u>ASSETS</u>	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Operating Fund</u>			
Cash	E-5	\$ 349,279.10	\$ 189,643.44
Cash - Change Fund	E-6	100.00	100.00
Due from Current Fund	E-9	29.36	
Notes Receivable	E-8		109,456.04
		<u>349,408.46</u>	<u>299,199.48</u>
<u>Capital Fund</u>			
Cash	E-5	14,623.26	14,623.26
Due from Current Fund	E-9	500,000.00	
Fixed Capital	E-7	1,592,913.86	1,575,376.74
		<u>2,107,537.12</u>	<u>1,590,000.00</u>
		<u>\$ 2,456,945.58</u>	<u>\$ 1,889,199.48</u>
<u>LIABILITIES AND RESERVES</u>			
<u>Operating Fund</u>			
Liabilities:			
Appropriation Reserves:			
Encumbered	E-4, E-11	\$ 3,931.64	\$ 891.40
Reserved	E-4, E-11	33,473.84	76,357.43
Prepaid Fees	E-14	2,500.00	
Accounts Payable	E-10	1,365.03	1,365.03
Accrued Interest on Notes	E-12	4,333.33	8,250.00
Fund Balance	E-1	303,804.62	212,335.62
		<u>349,408.46</u>	<u>299,199.48</u>
<u>Capital Fund</u>			
Bond Anticipation Note	E-15	1,000,000.00	600,000.00
Reserve for Amortization	E-13	1,092,913.86	975,376.74
Fund Balance	E-2	14,623.26	14,623.26
		<u>2,107,537.12</u>	<u>1,590,000.00</u>
		<u>\$ 2,456,945.58</u>	<u>\$ 1,889,199.48</u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
POOL UTILITY

COMPARATIVE STATEMENTS OF OPERATIONS AND
CHANGE IN FUND BALANCE - OPERATING FUND
REGULATORY BASIS
YEARS ENDED DECEMBER 31, 2013 AND 2012

E-1

	<u>Ref.</u>	<u>2013</u>	<u>2012</u>
<u>Revenue and Other Income</u>			
Fund Balance Utilized	E-3	\$ 60,000.00	\$
Membership Fees	E-3	378,350.00	380,749.00
Miscellaneous Revenue	E-3	25,990.36	6.37
Other Credits to Income:			
Cancellation of Accrued Interest			5,682.29
Appropriation Reserves Lapsed	E-11	68,211.97	58,880.42
Total Income		<u>532,552.33</u>	<u>445,318.08</u>
<u>Expenditures</u>			
Budget and Emergency Appropriations:			
Operations:			
Salaries and Wages		138,000.00	137,000.00
Other Expenses		118,000.00	138,000.00
Capital Improvements		20,000.00	50,000.00
Debt Service		105,083.33	
	E-4	<u>381,083.33</u>	<u>325,000.00</u>
Excess in Revenue		151,469.00	120,318.08
<u>Fund Balance</u>			
Balance, Beginning of Year	E	<u>212,335.62</u>	<u>92,017.54</u>
		363,804.62	212,335.62
Decreased by:			
Amount Utilized as Anticipated Revenue	Above	<u>60,000.00</u>	
Balance, End of Year	E	<u>\$ 303,804.62</u>	<u>\$ 212,335.62</u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
POOL UTILITY

STATEMENT OF FUND BALANCE
REGULATORY BASIS
CAPITAL FUND
YEAR ENDED DECEMBER 31, 2013

E-2

	<u>Ref.</u>	
Balance December 31, 2012	E	<u>\$ 14,623.26</u>
Balance December 31, 2013	E	<u><u>\$ 14,623.26</u></u>

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
POOL UTILITY

STATEMENT OF REVENUE - OPERATING FUND
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

E-3

<u>Source</u>	<u>Ref.</u>	<u>Budget Revenue</u>	<u>Realized</u>	<u>Excess (Deficit)</u>
Fund Balance Utilized	E-1	\$ 60,000.00	\$ 60,000.00	\$
Pool Fees	E-1	325,000.00	378,350.00	53,350.00
Miscellaneous	Below		25,990.36	25,990.36
	E-4	<u>\$ 385,000.00</u>	<u>\$ 464,340.36</u>	<u>\$ 79,340.36</u>
 <u>Membership Fees</u>				
Cash Receipts	E-5	\$ 377,500.00		
Due from Current Fund	E-9	<u>850.00</u>		
	E-1, Above		<u>\$ 378,350.00</u>	
 <u>Miscellaneous Cash Receipts:</u>				
Other	E-5	\$ 25,961.00		
Due from Current Fund	E-9	<u>29.36</u>		
	E-1, Above		<u>\$ 25,990.36</u>	

See accompanying notes to financial statements.

BOROUGH OF GLEN RIDGE
POOL UTILITY

STATEMENT OF EXPENDITURES
REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2013

E-4

<u>Appropriation</u>	<u>Appropriations</u>		<u>Expended</u>		<u>Reserved</u>	<u>Canceled</u>
	<u>Budget</u>	<u>Modified Budget</u>	<u>Paid or Charged</u>	<u>Encumbered</u>		
<u>Operating</u>						
Salaries and Wages	\$ 138,000.00	\$ 138,000.00	\$ 132,003.04	\$	\$ 5,996.96	\$
Other Expenses	118,000.00	118,000.00	89,054.36	3,931.64	25,014.00	
<u>Capital Improvements</u>						
Capital Outlay	20,000.00	20,000.00	17,537.12		2,462.88	
<u>Debt Service</u>						
Payment of Bond Anticipation Notes	100,000.00	100,000.00	100,000.00			
Interest on Notes	9,000.00	9,000.00	5,083.33			3,916.67
	<u>\$ 385,000.00</u>	<u>\$ 385,000.00</u>	<u>\$ 343,677.85</u>	<u>\$ 3,931.64</u>	<u>\$ 33,473.84</u>	<u>\$ 3,916.67</u>
<u>Ref.</u>	E-3	E-3	Below	E	E	Below
	<u>Ref.</u>					
Modified Budget	E-2	\$ 385,000.00	\$			
Cash Disbursements	E-4		336,581.13			
Due from/To Current Fund	E-9		2,013.39			
Accrued Interest on Bonds	E-12		5,083.33			
Cancelled	Above	(3,916.67)				
	E-1	<u>\$ 381,083.33</u>	<u>\$ 343,677.85</u>			

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

BOROUGH OF GLEN RIDGE
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2013

1. *REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

Reporting Entity

The Borough of Glen Ridge, County of Essex, New Jersey (the "Borough"), incorporated in 1895 is governed as a Mayor-Council form of government. The Mayor is elected in a general election to a four year term. There are six councilpersons, each elected to three year terms which are staggered. Two councilpersons run every year.

The Governmental Accounting Standards Board (GASB) is the recognized standard setting body for establishing governmental accounting and financial reporting principles. GASB Statement No. 14 establishes certain standards for defining and reporting on the financial reporting entity. In accordance with these standards, the reporting entity should include the primary government and those component units which are fiscally accountable to the primary government.

Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Borough presents the financial statements listed in the table of contents which are required by the Division of Local Governmental Services, Department of Community Affairs, State of New Jersey (the "Division") and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

The financial statements of the Borough include every board, body, officer or commission supported and maintained wholly or in part by funds appropriated by the Borough, as required by the provisions of N.J.S.A. 40A:5-5. The financial statements, however, do not include the operations of the Municipal Library, which is a separate entity subject to a separate examination.

Description of Funds

The accounting policies of the Borough conform to the accounting principles applicable to municipalities which have been prescribed by the Division. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds which differ from the fund structure required by generally accepted accounting principles.

Current Fund - Encompasses resources and expenditures for basic governmental operations. Fiscal activity of Federal and State grant programs are reflected in a segregated section of the Current Fund.

Trust Funds - The records of receipts, disbursements and custodianship of monies in accordance with the purpose for which each account was created are maintained in Trust Funds. These include the Animal Control Trust Fund and General Trust Fund.

General Capital Fund - The receipts and expenditure records for the acquisition of general infrastructure and other capital facilities, other than those acquired in the Current Fund, are maintained in this Fund, as well as, related long-term debt accounts.

Utilities Fund - Water and Swimming Pool Utilities are treated as separate entities. The Water Utility maintains its own Operating and Capital Funds which reflect revenue, expenditures, stewardship, acquisitions of utility infrastructure and other capital facilities, debt service, long-term debt and other related activity. The Swimming Pool Utility was established in December 2002.

The Swimming Pool Utility maintains its own Operating and Capital Funds which reflect revenues, expenditures, acquisition of capital facilities, debt service and other related activity.

Free Public Library - All expenditures for payroll are handled by the Finance Officer of the Borough, however, all other expenses are paid directly by the Free Public Library. The Borough turns over monthly fixed amounts to the Library. Interest on investments and other revenue are retained by the Library and expended therefrom. The Library is the subject of a separate report. Library fines are turned over to the Borough.

Capital Fixed Assets - These accounts reflect estimated valuations of land, buildings and certain moveable fixed assets of the Borough as discussed under the caption of "Basis of Accounting". The Borough has no current financial data for these accounts.

Basis of Accounting

The accounting principles and practices prescribed for municipalities by the Division, differ in certain respects from GAPP. The accounting system is maintained on the modified accrual basis with certain exceptions. Significant accounting policies of the Borough are summarized as follows:

Property Taxes and Other Revenue

Property taxes and other revenue are realized when collected in cash or approved by regulation for accrual from certain sources of the State of New Jersey and the Federal Government. Accruals of taxes and other revenue are otherwise deferred as to realization by the establishment of offsetting reserve accounts. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant Revenue

Federal and State grants, entitlements or shared revenue received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough of Glen Ridge budget. GAAP requires such revenue to be recognized in the accounting period when they become susceptible to accrual.

Expenditures

Expenditures for general and utility operations are generally recorded on the accrual basis. Unexpended appropriation balances, except for amounts which may have been canceled by the governing body or by statutory regulation, are automatically recorded as liabilities at December 31st of each year, under the title of "Appropriation Reserves". Amounts unexpended at the end of the second year are lapsed and are recognized as income.

Grant appropriations are charged upon budget adoption to create separate spending reserves.

Budgeted transfers to the Capital Improvement Fund are recorded as expenditures to the extent permitted by law.

Expenditures from Trust and Capital Funds are recorded upon occurrence and charged to accounts statutorily established for specific purposes.

Budget appropriations for interest on General Capital Long-Term Debt is raised on the cash basis and is not accrued on the records; interest on Utility Debt is raised on the accrual basis and so recorded.

GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances

As of January 1, 1986, all local units were required by Technical Accounting Directive No. 85-1, as promulgated by the Division, to maintain an encumbrance accounting system. The directive states that contractual orders outstanding at December 31st are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves

Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences

Expenditures relating to obligations for unused vested accumulated sick, vacation and compensatory pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes

Property Acquired for Taxes (Foreclosed Property) is recorded in the Current Fund at the assessed valuation during the year when such property was acquired by deed or foreclosure and is offset by a corresponding reserve account. GAAP requires such property to be recorded in the general fixed assets account group at market value on the date of acquisition.

Interfunds Receivable

Interfunds Receivable in the Current Fund are generally recorded with offsetting reserves which are established by charges to operations. Collections are recognized as income in the year that the receivables are realized. Interfunds Receivable of all other funds are recorded as accrued and are not offset with reserve accounts. Interfunds Receivable of one fund are offset with Interfunds Payable of the opposite fund. GAAP does not require the establishment of an offsetting reserve.

Inventories of Supplies

Materials and supplies purchased by all funds are recorded as expenditures.

An annual inventory of materials and supplies for the Water Utility is required, by regulation, to be prepared by Borough personnel for inclusion on the Water Utility Operating Fund balance sheet. Annual changes in valuations, offset with a Reserve Account, are not considered as affecting results of operations. Year end inventory had no significant monetary value and is not included herein. Materials and supplies of other funds are not inventoried nor included on their respective balance sheets.

Capital Fixed Assets

General:

In accordance with Technical Accounting Directive No. 85-2, Accounting for Governmental Fixed Assets, as promulgated by the Division, which differs in certain respects from GAAP, the Borough has not maintained a capital fixed asset accounting and reporting system.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available. Depreciation on utility fixed assets should also be recorded.

Capital fixed assets used in governmental operations (capital fixed assets) are accounted for in the Capital Fixed Assets. Public domain ("infrastructure") capital fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems, are not capitalized.

Acquisitions of land, buildings, machinery, equipment and other capital assets are recorded on a perpetual capital fixed asset record. Vehicles, furniture, equipment and other items are reflected at replacement values at time of inventory preparation. Additions to the established capital fixed assets are valued at cost. No costs or valuation basis was available at year end.

Depreciation of assets is not recorded as an operating expense of the Borough.

Utilities:

Capital acquisitions, including utility infrastructure costs of the Water Utility and Swimming Pool Utility, are recorded at cost upon purchase or project completion in the Fixed Capital Account of the utility. The Fixed Capital Accounts are adjusted for dispositions or abandonments. The accounts include moveable fixed assets of the Utility but are not specifically identified and are considered as duplicated in the Capital Fixed Assets. The duplication is considered as insignificant on its effect on the financial statements taken as a whole.

Utility improvements that may have been constructed by developers are not recorded as additions to Capital Fixed Assets.

Capital Fixed Assets of the Utilities are offset by accumulations in Amortization Reserve Accounts. The accumulations represent costs of capital fixed assets purchased with budgeted funds or acquired by gift as well as grants, developer contributions or liquidations of related bonded debt and other liabilities incurred upon fixed asset acquisition.

The Capital Fixed Assets reflected herein are as recorded in the records of the municipality and do not necessarily reflect the true condition of such Capital Fixed Assets. The records consist of a control account only. Detailed records are not maintained.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey, which are insured by the Federal Deposit Insurance Corporation (FDIC) or any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund (the "Fund").

The Fund is authorized by statute and regulations of the State Investment Council to invest in fixed income and debt securities which mature or are redeemed within one year. Twenty-five percent of the Fund may be invested in eligible securities which mature within two years provided, however, the average maturity of all investments in the Fund shall not exceed one year. Collateralization of Fund investments is generally not required.

In addition, by regulation of the Division, municipalities are allowed to deposit funds in Government Money Market Mutual Funds purchased through state registered brokers/dealers and banks.

In accordance with the provisions of the Governmental Unit Deposit Protection Act of New Jersey, public depositories are required to maintain collateral for deposits of public funds that exceed insurance limits as follows:

The market value of the collateral must equal five percent of the average daily balance of public funds, or

If the public funds deposited exceed 75 percent of the capital funds of the depository, the depository must provide collateral having a market value equal to 100 percent of the amount exceeding 75 percent.

All collateral must be deposited with the Federal Reserve Bank, the Federal Home Loan Bank Board or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.00.

Investments

New Jersey statutes permit the Borough to purchase the following types of securities:

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the local unit or school districts of which the local unit is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments.
- Local government investment pools, such as New Jersey CLASS, and the New Jersey Arbitrage Rebate Management Program.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

As of December 31, 2013, the Borough had funds on deposit in checking accounts. The amount of the Borough's cash on deposit as of December 31, 2013 was \$5,702,193.21. These funds constitute "deposits with financial institutions" as defined by GASB Statement No. 40. There were no securities categorized as investments as defined by GASB Statement No. 40.

3. TAXES AND TAX TITLE LIENS RECEIVABLE

Property assessments are determined on true values and taxes are assessed based upon these values. The residential tax bill includes the levies for the Borough, County and School purposes. Certified adopted budgets are submitted to the County Board of Taxation (the "Board") by each taxing district. The tax rate is determined by the Board upon the filing of these budgets.

The tax bills are mailed by the Tax Collector annually in July and are payable in four quarterly installments due the first of August and November of the current year and a preliminary billing due the first of February and May of the subsequent year. The August and November billings represent the third and fourth quarter installments and are calculated by taking the total year tax levy less the preliminary first and second quarter installments due February and May. The preliminary levy is based on one-half of the current year's total tax.

Tax installments not paid by the above due dates are subject to interest penalties determined by a resolution of the governing body. The rate of interest in accordance with the aforementioned resolution is 8% per annum on the first \$1,500.00 of delinquency and 18% on any delinquency in excess of \$1,500.00. The resolution also sets a grace period of ten days before interest is calculated. In addition, any delinquency in excess of \$10,000.00 at the end of the calendar year is subject to a 6% penalty on the unpaid balance.

Taxes unpaid on the 11th day of the eleventh month in the fiscal year when the taxes become in arrears are subject to the tax sale provisions of the New Jersey statutes. The municipality may institute in rem foreclosure proceedings after six months from the date of the sale if the lien has not been redeemed.

Comparative Schedule of Tax Rates

The following is a five year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four years:

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Tax Rate	<u>\$ 3.247</u>	<u>\$ 3.051</u>	<u>\$ 2.968</u>	<u>\$ 2.907</u>	<u>\$ 2.776</u>
Apportionment of Tax Rate:					
Municipal	\$ 0.721	\$ 0.672	\$ 0.637	\$ 0.649	\$ 0.615
Municipal Library	0.036	0.035	0.035		
County	0.512	0.460	0.446	0.428	0.414
County Open Space	0.016	0.016	0.016	0.017	0.016
School	<u>1.962</u>	<u>1.868</u>	<u>1.834</u>	<u>1.813</u>	<u>1.731</u>

Assessed Valuations

<u>Year</u>	<u>Amount</u>
2013	\$ 1,369,281,300.00
2012	1,410,160,201.00
2011	1,419,213,439.00
2010	1,423,628,332.00
2009	1,437,278,029.00

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2013	\$ 44,509,735.11	44,141,612.49	99.17 %
2012	43,089,851.53	42,664,381.62	99.01 *
2011	42,179,390.79	41,583,063.16	99.32
2010	41,438,199.30	41,069,836.58	99.11
2009	39,958,607.99	39,500,943.76	98.85

* Percentage of collection based on a reduction of the tax levy due to tax appeals in accordance with the provisions of N.J.S.A. 40A:41c(2).

Delinquent Taxes and Tax Liens

<u>Year</u>	<u>Amount of Tax Title Liens</u>	<u>Amount of Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2013	\$ 23,604.63	\$ 303,109.02	\$ 326,713.65	0.73 %
2012	22,289.64	251,820.51	274,110.15	0.64
2011	19,659.67	282,708.51	302,368.18	0.72
2010	17,101.25	239,891.09	256,992.34	0.62
2009	14,595.41	262,791.07	277,386.48	0.69

4. **PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION**

The value of property acquired by liquidation of tax title liens, on the basis of the last assessed valuation of such properties in the year of acquisition, was as follows:

<u>Year</u>	<u>Amount</u>
2013	\$ 410.00
2012	410.00
2011	410.00
2010	410.00
2009	410.00

5. **WATER CONSUMER ACCOUNTS RECEIVABLE**

The Borough maintains a utility fund for the billing and collection of water rents and is divided into three sections for the purposes of billings, which are done on a quarterly basis.

A comparison of Water Utility billings and collections for the past five years are as follows:

<u>Year</u>	<u>Billing</u>	<u>Collection*</u>
2013	\$ 1,311,792.51	\$ 1,306,971.20
2012	1,217,582.96	1,207,611.75
2011	1,176,882.16	1,214,759.67
2010	1,007,577.81	940,703.99
2009	911,804.36	991,940.04

*Includes prior year rent collections.

6. **FUND BALANCES APPROPRIATED**

Current Fund:	2013	\$ 1,106,659.23	\$ 700,000.00 *
	2012	695,442.14	424,136.98
	2011	113,760.39	
	2010	692,884.83	647,778.00
	2009	1,205,249.02	1,191,500.00
Water Utility Operating Fund:	2013	135,584.45	125,000.00 *(3)
	2012	22,434.82	
	2011	213,931.92	200,000.00 (1)
	2010	27,847.44	27,847.44
	2009	107,706.91	99,000.00 (2)
Pool Utility Operating Fund:	2013	303,804.62	100,000.00 *
	2012	212,335.62	60,000.00
	2011	92,017.54	
	2010	121,096.03	60,000.00
	2009	70,577.58	70,577.00

(1) Includes Anticipated in Current Fund Budget of \$200,000.00

(2) Anticipated in Current Fund Budget

(3) Includes Anticipated in Current Fund Budget of \$50,000.00.

* As introduced

7. PENSION PLANS

Description of Systems

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Public Employees' Retirement System (PERS) or the Police and Firemen's Retirement System (PFRS). In addition, the Borough contributes to the Consolidated Police and Firemen's Pension Fund. These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The PERS and the PFRS are considered a cost sharing multiple-employer plan.

Public Employees Retirement System

PERS was established January 1, 1955, under the provisions of N.J.S.A. 43:15A, to provide coverage, including postretirement health care, to substantially all full-time employees of the State or any County, Municipality, School district or public agency, provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after ten years of service and 25 years for health care coverage. The Borough does not provide health benefits to employees after 25 years.

Tier 1 Members (members enrolled prior to July 1, 2007) are eligible for retirement at age 60 with an annual benefit generally determined to be $1/55^{\text{th}}$ of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under 60 with 25 or more years of credited service. Members who retire early and are under age 55 receive retirement benefits as calculated in the above mentioned formula, but at a reduced rate ($1/4$ of 1% for each month the member lacks of attaining age 55). Tier 2 Members (members enrolled July 1, 2007 to November 2, 2008) are eligible for retirement at age 66 with an annual benefit generally determined to be $1/55^{\text{th}}$ of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to these under age 60 with 25 or more years of credited service. Members who retire early and are under age 60 receive retirement benefits as calculated in the above mentioned formula, but at a reduced rate ($1/12^{\text{th}}$ of 1% each month the member lacks attaining age 60, but over age 55 and $1/4$ of 1% for each month the member lacks of attaining age 55).

Chapter 89, P.L. 2008, established a minimum base salary of \$7,700 per year to be eligible for enrollment in Tier 3 of the PERS (members enrolled on or after November 2, 2008 and prior to May 21, 2010) are eligible for retirement at age 62 with an annual benefit generally determined to be $1/55^{\text{th}}$ of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 62 with 25 or more years of credited service. Members who retire early and are under age 62 receives retirement benefits as calculated in the above mentioned formula, but at a reduced rate ($1/12$ of 1% for each month the member lacks of attaining age 62, but over age 55 and $1/4$ of 1% for each month the member lacks of attaining age 55).

Chapter 1, P.L. 2010, requires a minimum of 32 hours per week to be eligible to enroll in Tier 4 of PERS (members enrolled after May 21, 2010) and are eligible for retirement at age 62 with an annual benefit generally determined to be $1/60^{\text{th}}$ of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under 62 with 25 of more years of credited service. Members who retire early and are under age 62, receive retirement benefits as calculated in the above mentioned formula, but at a reduced rate ($1/12$ of 1% for each month the member lacks of attaining age 62 but over age 55 and $1/4$ of 1% for each month the member lacks of attaining age 55). Chapter 1, P.L.2010 imposes a maximum compensation limits for PERS pension contributions for those who become members after May 21, 2010. For 2010, that amount is \$106,800.00. Any members hired after May 21, 2010 whose annual maximum compensation will be reached in any year, become a participant of the Defined Contribution Retirement Program ("DCRP") with regard to the remaining compensation, unless the member irrevocably elects to waive participation in the DCRP. For the amount of compensation in excess of the maximum compensation, 5.5 % will be deducted as a contribution for the purposes of the DCRP. The Borough will be responsible for the DCRP's matching 3% contribution. (See Note 9)

Tier 5 became effective as of June 28, 2011 and requires a minimum of 32 hours per week for local and school employees and 35 hours per week for State employees. Employees who do not work the minimum hours of work but earn over \$5,000.00 may participate in the DCRP. PERS salary is limited to the Social Security maximum wage. The minimum age to retire is 65 and the annual retirement benefit equals years of service divided by 60 times average of last five years salary. Additional requirements and limitations apply for early retirements and veteran retirements.

Police and Firemen's Retirement System

The PFRS was established July 1, 1944 under the provisions of N.J.S.A. 43:16A, to provide coverage to substantially all full-time county and municipal police or firemen and State firemen appointed after June 30, 1944. Membership is mandatory for such employees. Members may opt for Service Retirement if over age 55 or special retirement at any age if they have a minimum of 25 years of service or 20 years of service, if enrolled in the PFRS as of January 18, 2000. Retirement benefits vary depending on age and years of service. Chapter 1, P.L. 2010 imposes a maximum compensation limit of \$106,800.00 for officers who become members after May 21, 2010. Any member hired after May 21, 2010, whose annual maximum compensation is reached in any year will become a participant of the DCRP with regard to the remaining compensation, unless the member irrevocably elects to waive participation in the DCRP. For the amount of compensation in excess of the maximum compensation, 5.5% will be deducted as a contribution for the purposes of the DCRP. The Borough will be responsible for the DCRP's matching 3% contribution. Tier 5 requirements for PFRS enrollers after June 28, 2011 are the same as those under PERS.

Deferred Compensation Plan (Un-audited) (See Note 8)

The Borough offers its employees a Deferred Compensation Plan (the "DC Plan") created in accordance with the provisions of N.J.S.A. 43:15B-1 et seq., and Internal Revenue Code, Section 457. The DC Plan, available to all municipal employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Statutory and regulatory requirements governing the establishment and operation of a Deferred Compensation Plan have been codified in the New Jersey Administrative Code under the reference N.J.A.C. 5:37.

The "Small Business Job Protective Act of 1996" (the "Act") revised several provisions of Section 457 of the Internal Revenue Code. A provision of the Act requires that all existing plans be modified to provide that the funds be held for the exclusive benefit of the participating employees and their beneficiaries.

Consolidated Police and Firemen's Pension Fund

The Consolidated Police and Firemen's Pension Fund (CPFPPF) is a defined benefit pension fund established in 1952 to replace, on an actuarial basis, 212 local police and firemen pension funds. The CPFPPF membership is limited to policemen and firemen appointed prior to July 1, 1944. The liabilities of these funds were shared by two-thirds of the participating municipalities and one-third by the State. The CPFPPF Board of Trustees has the responsibility for the proper administration of the CPFPPF.

Contributions Required and Made

Contributions made by employees for PERS and PFRS are currently 6.64% and 10.0%, respectively of their base wages. Employer contributions are actuarially determined on an annual basis by the Division of Pensions. Contributions to the plan for the past three (3) years are as follows:

Year	PERS		PFRS		CPFPPF
	Borough	Employees	Borough	Employees	Borough
2013	\$ 231,257.00	\$ 162,625.65	\$ 584,252.00	\$ 258,185.45	
2012	240,627.00	164,974.96	550,494.00	274,749.70	
2011	235,647.00	147,267.57	633,165.00	244,685.58	6,598.89

8. HEALTH BENEFITS

P.L. 2011 Ch. 78 Section 39 established guidelines for implementing employee contributions to the cost of their health insurance coverage.

The benefit cost of coverage is the premium. For State Health Benefit Plan ("SHBP") employers, the cost of coverage is the cost of medical and prescription coverage. For non-SHBP employers, the law requires that the cost of coverage includes all health care benefits; medical, prescription, dental, vision etc.

The base salary of the employees determines the percent of premium cost that is contributed.

The contribution is phased in at 25% per year:

- a) Immediately, for employees hired on June 28, 2011 and not subject to Collective Negotiations Agreement ("CNA") that is in effect
- b) when a CNA that is in effect on June 28, 2011 expires or is in almost any way modified

Full contribution (Year 4) takes effect immediately for employees hired after June 28, 2011 who are not covered by a CNA or would be covered by a CNA that has expired.

When contributions begin, if the 1.5% of base salary calculation under Ch. 2 is greater than the standard contribution, that amount is paid until the new contribution percentage is greater.

9. DEFINED CONTRIBUTION RETIREMENT PROGRAM

Description of System

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waive participation in the DCRP for that office or position. This waiver is irrevocable.

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee and employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment options provided by the employer.

The law requires that three classes of employees enroll in the DCRP detailed as follows:

- All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may remain in the Public Employees' Retirement System (PERS).
- A Governor appointee with the advice and consent of the Legislature or who serves at the discretion of the Governor only during that Governor's term of office.
- Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured Chief Administrative Office such as the Business Administrator, County Administrator or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain in PERS.

Contributions Required

Contributions made by employees for DCRP are currently at 5.5% of their base wages. Member contributions are matched by a 3.0% employer contribution.

During the year 2013, there were no employees enrolled in the DCRP.

10. OTHER POSTEMPLOYMENT BENEFITS

The Borough does not pay retirement benefits for any retired employees.

11. MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes to finance general capital expenditures. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Pursuant to N.J.S.A. 40A:2-8, bond anticipation notes, which are issued to temporarily finance capital projects, cannot be renewed past the third anniversary unless an amount equal to at least the first legal requirement is paid prior to each anniversary and must be paid off within ten years and five months or retired by the issuance of bonds.

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.298%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School District	\$ 5,065,000.00	\$ 5,065,000.00	\$
Water Utility	4,497,103.47	4,497,103.47	
General Capital	4,380,232.38		4,380,232.38
Swimming Pool Utility	1,000,000.00	1,000,000.00	
	<u>\$ 14,942,335.85</u>	<u>\$ 10,562,103.47</u>	<u>\$ 4,380,232.38</u>

Borrowing Power Under N.J.S.A. 40A:2-6 as Amended

3 1/2 of Equalized Valuation Basis	\$ 51,371,816.30
Net Debt	<u>4,380,232.38</u>
Remaining Borrowing Power	<u>\$ 46,991,583.92</u>

School Debt Deductions

School debt is deductible up to the extent of 4.0% of the Average Equalized Valuations of real property for the Local School District.

Calculation of "Self-Liquidating Purposes" Water Utility per N.J.S.A. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges and Surplus Anticipated		\$ 1,313,213.01
Deductions:		
Operating and Maintenance Cost	\$ 804,750.04	
Debt Service per Water Utility Operating Fund	<u>443,861.71</u>	
		<u>1,248,611.75</u>
Excess in Revenue		<u>\$ 64,601.26</u>

There being an excess in revenue, all Water Utility Debt is deductible for Debt Statement purposes.

Calculation of "Self-Liquidating Purposes" Pool Utility per N.J.S.A. 40A:2-45

Cash Receipts from Fees, Rents or Other Charges and Surplus Anticipated		\$ 464,340.36
Deductions:		
Operating and Maintenance Cost	\$ 256,000.00	
Debt Service	<u>105,083.33</u>	
		<u>361,083.33</u>
Excess in Revenue		<u>\$ 103,257.03</u>

There being an excess in revenue, all Pool Utility Debt is deductible for Debt Statement purposes.

The foregoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer.

Long Term Debt

As of December 31, 2013, the Borough's long-term debt is as follows:

General Capital Improvement Bonds

\$5,160,000.00 Bonds, due in annual installments of \$325,000.00 to \$400,000 through October 2023, interest at 4.00% to 4.25%	<u>\$ 3,610,000.00</u>
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A schedule of annual debt service for principal and interest for bonded debt is as follows:

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 474,225.00	\$ 325,000.00	\$ 149,225.00
2015	460,412.50	325,000.00	135,412.50
2016	471,600.00	350,000.00	121,600.00
2017	456,725.00	350,000.00	106,725.00
2018	441,850.00	350,000.00	91,850.00
2019	452,850.00	375,000.00	77,850.00
2020	437,850.00	375,000.00	62,850.00
2021	422,850.00	375,000.00	47,850.00
2022	432,381.25	400,000.00	32,381.25
2023	400,881.25	385,000.00	15,881.25
	<u>\$ 4,451,625.00</u>	<u>\$ 3,610,000.00</u>	<u>\$ 841,625.00</u>

Green Acres Loan

The Borough entered into a loan agreement with the State of New Jersey, Department of Environmental Protection. The loan was for improvements to Hurrell Field. The following is a Schedule of Annual Principal and Interest:

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 36,641.61	\$ 29,584.92	\$ 7,056.69
2015	36,641.60	30,179.57	6,462.03
2016	36,641.61	30,786.19	5,855.42
2017	36,641.61	31,404.99	5,236.62
2018	36,641.61	32,036.23	4,605.38
2019	36,641.60	32,680.15	3,961.45
2020	36,641.61	33,337.03	3,304.58
2021	36,641.62	34,007.11	2,634.51
2022	36,641.62	34,690.65	1,950.97
2023	36,641.60	35,387.92	1,253.68
2024	36,641.62	36,099.21	542.41
	<u>\$ 403,057.71</u>	<u>\$ 360,193.97</u>	<u>\$ 42,863.74</u>

Environmental Infrastructure Loan

The Borough entered into a loan agreement with the State of New Jersey, Department of Environmental Protection Environmental Infrastructure Trust Financing Program for waterworks improvements. A loan was awarded in the sum of \$1,680,784.00. A loan repayment schedule provided by the State of New Jersey showed a total loan payable of \$1,655,392.00.

The Borough entered into a loan agreement in 2003 for \$1,192,053.00 and in 2005 for \$255,000.00. A fourth loan in the amount of \$1,614,785.00 was entered into in 2006. Three loans were initiated in 2010. Two of the loans were established in the Water Utility Fund while the third loan related to sanitary sewer was established in the General Capital Fund. The two loans in the Utility fund were for \$1,413,287.00 and \$765,863.00. The General Capital was for \$350,515.00.

GENERAL CAPITAL FUND

The following is a Schedule of Annual Principal and Interest

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2014	\$ 22,178.72	\$ 14,178.72	\$ 8,000.00
2015	21,928.72	14,178.72	7,750.00
2016	21,678.72	14,178.72	7,500.00
2017	21,428.72	14,178.72	7,250.00
2018	26,178.72	19,178.72	7,000.00
2019	25,678.72	19,178.72	6,500.00
2020	25,178.72	19,178.72	6,000.00
2021	24,678.72	19,178.72	5,500.00
2022	24,178.72	19,178.72	5,000.00
2023	23,678.72	19,178.72	4,500.00
2024	23,178.72	19,178.72	4,000.00
2025	22,678.72	19,178.72	3,500.00
2026	22,178.72	19,178.72	3,000.00
2027	21,678.72	19,178.72	2,500.00
2028	21,178.72	19,178.72	2,000.00
2029	25,678.72	24,178.72	1,500.00
2030	24,928.89	24,178.89	750.00
	<u>\$ 398,288.41</u>	<u>\$ 316,038.41</u>	<u>\$ 82,250.00</u>

WATER UTILITY CAPITAL FUND

The following is a Schedule of Annual Principal and Interest:

2015	452,309.78	357,929.76	94,380.02
2016	448,956.61	362,239.09	86,717.52
2017	453,189.11	374,390.35	78,798.76
2018	449,185.10	378,453.84	70,731.26
2019	449,654.27	387,285.51	62,368.76
2020	465,453.80	412,009.94	53,443.86
2021	344,288.85	300,957.59	43,331.26
2022	343,539.74	306,333.48	37,206.26
2023	341,900.76	311,338.26	30,562.50
2024	247,718.46	224,105.96	23,612.50
2025	234,014.86	214,389.86	19,625.00
2026	204,942.20	191,554.70	13,387.50
2027	135,054.70	126,554.70	8,500.00
2028	76,890.95	70,640.95	6,250.00
2029	79,138.72	75,138.72	4,000.00
2030	51,628.73	50,128.73	1,500.00
	<u>\$ 5,233,648.69</u>	<u>\$ 4,497,103.47</u>	<u>\$ 736,545.22</u>

There were Bonds and Notes Authorized but Not Issued in the following amounts:

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Balance</u> <u>Dec. 31, 2012</u>
General Capital Fund:		
General Improvements	\$ 59,485.00	\$ 59,485.00
Water Utility Capital Fund:		
General Improvements		
Pool Utility Capital Fund:		
General Improvements		
	<u>\$ 59,485.00</u>	<u>\$ 59,485.00</u>

Emergency Notes

- A. An emergency note was issued for sewer repairs in the sum of \$243,500.00. The Borough is required to pay down the note fully in their 2014 budget. A note was issued for \$243,500.00 bearing interest at a rate 1.25% and maturing December 19, 2014.
- B. A special emergency note was issued for the 2012 Sandy storm in the sum of \$330,000.00 and for a revaluation of the Borough's tax assessment for \$270,000.00 for a total of \$600,000.00. A note was issued for \$434,260.00 bearing interest at a rate of 1.25%. The note matures December 19, 2014. The Borough is required to fund one-fifth of the total each year which is \$120,000.00. It is noted that FEMA funds were used to further reduce the Sandy Storm note by \$45,280.85 with a balance of \$218,719.15 as of December 31, 2013.

Bond Anticipation Notes

General Capital Fund:

A bond anticipation note was issued for the Borough's tax appeal refunding issue in the sum of \$94,000.00. The note is due December 19, 2014 and bears interest at a rate of 1.25%.

Pool Utility Capital Fund:

The Borough refunded their outstanding pool serial bonds of \$600,000.00 with bond anticipation notes. The notes are payable in equal yearly installments of \$100,000.00. A bond anticipation note of \$500,000.00 was issued on February 1, 2013 maturing on January 31, 2014 bearing interest at .90%. A second bond anticipation note was issued on December 24, 2013 bearing interest at 1.25%. This note will pay off the bond anticipation note due on January 31, 2014. This will put all of the Borough's debt for notes on a December due date.

12. INTERFUND RECEIVABLES AND PAYABLES

As of December 31, 2013, interfund receivables and payables that resulted from various interfund transactions were as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Current Fund	\$ 99,597.91	\$ 573,626.85
Federal/State Grant Fund	73,597.49	
Animal Control Fund		8,858.09
General Trust Fund		62,461.97
General Capital Fund		25,000.00
Water Utility Operating Fund	460.13	3,737.98
Pool Utility Operating Fund	29.36	
Pool Utility Capital Fund	500,000.00	
	<u>\$ 673,684.89</u>	<u>\$ 673,684.89</u>

13. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING YEARS' BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2013 the following deferred charges are shown on the balance sheets of various funds:

	<u>Balance Dec. 31, 2013</u>	<u>2014 Budget Appropriation</u>
<u>Current Fund</u>		
Special Emergency (40A:4-53):		
Revaluation	\$ 216,000.00	\$ 54,000.00
Sandy Storm	218,719.15	66,000.00
Emergency Appropriations (40A:4-47)	243,500.00	243,500.00

14. DEFERRED COMPENSATION PLAN

The Borough offers its employees a Deferred Compensation Plan created in accordance with the provisions of N.J.S.A. 43:14B-1 et seq., and the Internal Revenue Code, Section 457. The plan, available to all municipal employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Statutory and regulatory requirements governing the establishment and operation of Deferred Compensation Plans have been codified in the New Jersey Administrative Code under the reference N.J.A.C. 5:37.

The "Small Business Job Protective Act of 1996" revised several provisions of Section 457 of the Internal Revenue Code. A provision of the act required that all existing plans be modified to provide that the funds be held for the exclusive benefit of the participating employees and their beneficiaries.

The Borough authorized such modifications to their plan by resolution of the Borough Council adopted October 28, 1997.

The Administrators for the Borough's Deferred Compensation Plan are the Variable Annuity Life Insurance Company (VALIC) and the Equitable Assurance Company.

15. DEFERRED SCHOOL TAX

The Local District School Tax was raised on the school year basis and liability deferred by statute, resulting in school tax payable set forth in liabilities computed as follows:

	Balance <u>Dec. 31, 2013</u>	Balance <u>Dec. 31, 2012</u>	<u>Increase</u>
*Balance of Tax	\$ 13,428,826.00	\$ 13,172,054.50	\$ 256,771.50
Amount Deferred	<u>13,428,826.00</u>	<u>13,172,054.50</u>	<u>256,771.50</u>
Tax Payable (Cash Liability)	<u>\$</u>	<u>\$</u>	<u>\$</u>

*Required for school operations for the six month period following December 31st.

16. CONTINGENT LIABILITIES

a. Compensated Absences

It has been ordained by the Borough of Glen Ridge (Ordinance #886 of August 12, 1968) that full-time employees may accumulate sick leave at the rate of one and one-quarter (1¼) days per month up to the maximum of 200 days. Upon retirement, the retiree will be permitted compensatory time off for one-half (1/2) of any unused sick leave up to a maximum of 100 days.

It is estimated that the sum of \$718,418.27 computed internally at the 2013 salary rates, would be payable to officials and employees of the Borough as of December 31, 2013 for accumulated sick days, vacation days and unused holidays. This amount was not verified by audit.

Provision for the above are not reflected on the Financial Statements of the Borough.

b. Tax Appeals

A number of appeals are pending, before both the County Board of Taxation and the New Jersey Tax Court of an undetermined amount.

Judgments favorable to the taxpayers generally extend to two years following the year judged and would also subject the Borough to a liability for statutory interest based upon the amount of taxes refunded from the date of payment to the date of refund (R.S. 54:3-27.2).

c. Federal and State Awards

The Borough participates in several federal and state grant programs which are governed by various rules and regulations of the grantor agencies; therefore to the extent that the Borough has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable at December 31, 2013 may be impaired. In the opinion of management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying statutory basis financial statements for such contingencies.

d. Litigation

The Borough is involved in several claims and lawsuits incidental to its operations. In the opinion of the administration and legal counsel, the ultimate resolution of these matters will not have a material adverse effect on the financial position of the Borough.

17. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events occurring after December 31, 2013 through June 6, 2014, which is the date the financial statements were available to be issued. Based on this evaluation, management has determined that the following subsequent events require disclosure.

The Borough has been notified by the State of New Jersey of an outstanding balance due from the Borough for State Unemployment Insurance Claims. The Borough is currently reviewing the claim. A reserve has been set up in the sum of \$176,764.64.

BOROUGH OF GLEN RIDGE
CURRENT FUND

CASH RECEIPTS AND DISBURSEMENTS - TREASURER
YEAR ENDED DECEMBER 31, 2013

A-4

	<u>Ref.</u>	<u>Current Fund</u>	
Balance, December 31, 2012	A		\$ 3,434,033.48
Increased by Cash Receipts:			
Nonbudget Revenue	A-2b	\$ 30,139.63	
Petty Cash Returned	A-5	600.00	
Tax Exemptions Due from State	A-6	35,866.14	
Taxes Receivable	A-7	44,036,634.75	
Revenue Accounts Receivable	A-10	1,497,411.06	
Interfund Settlements	A-11	1,651,983.33	
Fees Payable to State	A-17	13,592.00	
Tax Overpayments	A-18	141,509.21	
Inspection Fees Payable	A-19	12,755.00	
Emergency Note Payable	A-23	678,120.00	
Tax Anticipation Note	A-24	1,800,000.00	
Prepaid Taxes	A-26	<u>144,651.62</u>	
			<u>50,043,262.74</u>
			53,477,296.22
Decreased by Cash Disbursed:			
Budget Appropriations	A-3	11,185,837.33	
Petty Cash Fund Established	A-5	600.00	
Interfund Settlements	A-11	1,118,640.93	
Appropriation Reserves	A-15	542,048.46	
Accounts Payable	A-16	31,817.78	
Due to State of New Jersey	A-17	11,059.00	
Refund of Tax Overpayments	A-18	53,628.17	
Inspection Fees Payable	A-19	13,313.00	
County Taxes Payable	A-20	7,235,127.41	
Local School District Tax	A-21	26,459,554.87	
Prepaid School Taxes	A-22	136,330.13	
Emergency Note Payable	A-23	709,456.04	
Tax Anticipation Note	A-24	<u>1,595,000.00</u>	
			<u>49,092,413.12</u>
Balance, December 31, 2013	A		<u>\$ 4,384,883.10</u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
CURRENT FUND

CHANGE FUNDS
YEAR ENDED DECEMBER 31, 2013

A-5

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 170.00
Increased by:		
Petty Cash Fund Established	A-4	<u>600.00</u>
		770.00
Decreased by:		
Petty Cash Funds Returned	A-4	<u>600.00</u>
Balance, December 31, 2013	A	<u><u>\$ 170.00</u></u>
 <u>Analysis of Balance</u>		
Tax Collector		\$ 50.00
Public Works		50.00
Library		<u>70.00</u>
	Above	<u><u>\$ 170.00</u></u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
CURRENT FUND

DUE FROM STATE OF NEW JERSEY
PER CHAPTER 129, P.L. 1976
(SENIOR CITIZENS AND VETERANS TAX EXEMPTIONS)
YEAR ENDED DECEMBER 31, 2013

A-6

	<u>Ref.</u>		
Balance, December 31, 2012 (Due To)	A		\$ (2,236.44)
Increased by:			
Deductions per Tax Duplicate:			
Senior Citizens		\$ 2,000.00	
Veterans		34,000.00	
Senior Citizens'/Veterans' Deductions Allowed by Tax Collector		<u>36,000.00</u>	
Less: Senior Citizens'/Veterans' Deductions Disallowed by Tax Collector		<u>267.72</u>	
	A-7		<u>35,732.28</u> <u>33,495.84</u>
Decreased by:			
Cash Received	A-4		<u>35,866.14</u>
Balance, December 31, 2013 (Due To)	A		<u>\$ (2,370.30)</u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
CURRENT FUND

TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY
YEAR ENDED DECEMBER 31, 2013

A-7

<u>Year</u>	<u>Balance</u> <u>December 31, 2012</u>	<u>2013 Levy</u>	<u>Collected</u>		<u>Exemptions</u> <u>Granted</u>	<u>Canceled</u>	<u>Transferred</u> <u>to Tax</u> <u>Title Liens</u>	<u>Balance</u> <u>December 31, 2013</u>
			<u>2012</u>	<u>2013</u>				
2012	\$ 251,820.51	\$	\$	\$ 251,820.51	\$	\$	\$	\$
2013		44,509,735.11	321,065.97	43,784,814.24	35,732.28	63,698.61	1,314.99	303,109.02
	<u>\$ 251,820.51</u>	<u>\$ 44,509,735.11</u>	<u>\$ 321,065.97</u>	<u>\$ 44,036,634.75</u>	<u>\$ 35,732.28</u>	<u>\$ 63,698.61</u>	<u>\$ 1,314.99</u>	<u>\$ 303,109.02</u>
<u>Ref.</u>	A	Below	A-2a, A-26	A-4	A-2a, A-6	Reserve	A-8	A

Analysis of Property Tax Yield and Levy

Ref.

<u>Tax Yield</u>			
General Purpose Tax		\$ 44,460,565.02	
Added Taxes		49,170.09	
	Above		<u>\$ 44,509,735.11</u>
<u>Tax Levy</u>			
Local District School Tax (Abstract)	A-21		\$ 26,857,652.00
County Taxes:			
Regular County Tax (Abstract)	A-20	\$ 7,003,710.65	
Added Taxes	A-20	7,948.47	
Open Space	A-20	223,468.29	
			7,235,127.41
Local Taxes:			
For Municipal Purposes	A-2	9,874,627.15	
Minimum Library	A-2	487,701.66	
Additional Tax Levied		54,626.89	
			10,416,955.70
	Above		<u>\$ 44,509,735.11</u>

BOROUGH OF GLEN RIDGE
CURRENT FUND

TAX TITLE LIENS
YEAR ENDED DECEMBER 31, 2013

A-8

<u>Block</u>	<u>Lot</u>	<u>Date of Sale</u>	<u>Lien Number</u>	<u>Balance Dec. 31, 2012</u>	<u>Transfer from Taxes Receivable</u>	<u>Balance Dec. 31, 2013</u>
06	12	11-16-64	2-96	\$ 8,159.92	\$ 83.91	\$ 8,243.83
06	12A	11-16-64	3-96	3,454.36	64.07	3,518.43
63	15	06-17-09	9-06	<u>10,675.36</u>	<u>1,167.01</u>	<u>11,842.37</u>
				<u>\$ 22,289.64</u>	<u>\$ 1,314.99</u>	<u>\$ 23,604.63</u>
			<u>Ref.</u>	A	A-7	A

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
CURRENT FUND

PROPERTY ACQUIRED FOR TAXES AT ASSESSED VALUATION
YEAR ENDED DECEMBER 31, 2013

A-9

	<u>Ref.</u>	
Balance, December 31, 2012	A	<u>\$ 410.00</u>
Balance, December 31, 2013	A	<u>\$ 410.00</u>

List of Property as of December 31, 2013

<u>Location</u>	<u>Block</u>	<u>Lot</u>	
Carteret Street	17	15A	\$ 100.00
Carteret Street	17	16	300.00
Mitchell Place	123	7	<u>10.00</u>
	Above		<u>\$ 410.00</u>

BOROUGH OF GLEN RIDGE
CURRENT FUND

REVENUE ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

A-10

	<u>Ref.</u>	<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
Township Clerk:					
Alcoholic Beverage Licenses	A-2	\$	\$ 10,000.00	\$ 10,000.00	\$
Other Licenses	A-2a		553.00	553.00	
Other Fees and Permits	A-2a		27,210.00	27,210.00	
Public Works:					
Other Fees and Permits	A-2a		1,612.00	1,612.00	
Tax Collector:					
Interest and Cost on Taxes	A-2		73,519.37	73,519.37	
Board of Health:					
Other Licenses	A-2a		90.00	90.00	
Other Fees and Permits	A-2a		42,073.60	42,073.60	
Department of Public Safety:					
Parking Lot Fees	A-2		61,542.82	61,542.82	
Other Fees and Permits -					
Life Hazard Fees	A-2a		9,347.50	9,347.50	
Fire Inspections	A-2a		10,765.00	10,765.00	
Construction Official:					
Building Permits	A-2		158,942.00	158,942.00	
Other Fees and Permits	A-2a		50,433.00	50,433.00	
Municipal Court	A-2	11,625.06	135,337.88	134,245.35	12,717.59
Library Fines	A-2		5,660.69	5,660.69	
Recreation Receipts	A-2		77,486.00	77,486.00	
Jitney Fees	A-2		52,069.00	52,069.00	
Rental of Hurrell Field	A-2		75,000.00	75,000.00	
Cable TV Franchise Fee	A-2		46,112.14	46,112.14	
Recycling	A-2		27,947.55	27,947.55	
PILOT - Project Live	A-2		4,599.41	4,599.41	
FEMA - Hurricane Sandy	A-2		220,736.89	220,736.89	
Mountainside Hospital Sewer Fee	A-2		9,410.00	9,410.00	
State of New Jersey:					
Energy Receipts Tax	A-2		344,660.74	344,660.74	
Consolidated Municipal					
Property Tax Relief Act	A-2		54,880.00	54,880.00	
		<u>\$ 11,625.06</u>	<u>\$ 1,499,988.59</u>	<u>\$ 1,498,896.06</u>	<u>\$ 12,717.59</u>
	<u>Ref.</u>	<u>A</u>	<u>Reserve</u>	<u>Below</u>	<u>A</u>
			<u>Ref.</u>		
		Cash Receipts	A-4	\$ 1,497,411.06	
		Interfunds	A-11	1,485.00	
			Above	<u>\$ 1,498,896.06</u>	

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
CURRENT FUND

INTERFUND ACCOUNTS
YEAR ENDED DECEMBER 31, 2013

A-11

	<u>Ref.</u>	<u>Total</u>	<u>Federal and State Grant Fund</u>	<u>Animal Control Trust Fund</u>	<u>Water Operating Fund</u>	<u>General Trust Fund</u>	<u>Pool Capital</u>	<u>Pool Operating</u>	<u>General Capital Fund</u>	<u>Payroll Fund</u>
Balance, December 31, 2012:										
From	A	\$ 52,373.70	\$	\$ 3,976.08	\$	\$ 47,892.65	\$	\$	\$	\$ 504.97
(To)	A	\$ (56,760.45)	\$ (41,510.05)	\$	\$	\$	\$	\$	\$ (15,250.40)	\$
Increased by:										
Miscellaneous Revenue not										
Anticipated	A-2b	71,953.21		8,858.09		60,643.77				2,451.35
Anticipated Revenue	A-2, A-10	80,987.60	79,502.60			1,485.00				
Cash Disbursed	A-4	1,118,640.93	51,734.47		369,084.67	1,458.00		602,013.39	92,750.40	1,600.00
		<u>1,267,194.99</u>	<u>89,727.02</u>	<u>12,834.17</u>	<u>369,084.67</u>	<u>111,479.42</u>		<u>602,013.39</u>	<u>77,500.00</u>	<u>4,556.32</u>
Decreased by:										
Cash Receipts	A-4	1,651,983.33	74,083.91	3,976.08	365,346.69	54,033.90	500,000.00	602,042.75	52,500.00	
Budget Appropriations	A-3	89,240.60	89,240.60							
		<u>1,741,223.93</u>	<u>163,324.51</u>	<u>3,976.08</u>	<u>365,346.69</u>	<u>54,033.90</u>	<u>500,000.00</u>	<u>602,042.75</u>	<u>52,500.00</u>	
Balance, December 31, 2013:										
From	A	\$ 99,597.91	\$	\$ 8,858.09	\$ 3,737.98	\$ 57,445.52	\$	\$	\$ 25,000.00	\$ 4,556.32
(To)	A	\$ (573,626.85)	\$ (73,597.49)	\$	\$	\$	\$ (500,000.00)	\$ (29.36)	\$	\$
<u>Net Charge to Operations</u>										
<u>Ref.</u>										
Interfunds Receivable:										
December 2013	Above	\$ 99,597.91								
December 2012	Above	<u>52,373.70</u>								
Net Charge	A-1	<u>\$ 47,224.21</u>								

BOROUGH OF GLEN RIDGE
CURRENT FUND

DEFERRED CHARGES
YEAR ENDED DECEMBER 31, 2013

A-12

	<u>Ref.</u>	
Increased by:		
Budget Appropriation	A-3	<u>\$ 243,500.00</u>
Balance, December 31, 2013	A	<u><u>\$ 243,500.00</u></u>

BOROUGH OF GLEN RIDGE
CURRENT FUND

DEFERRED CHARGES
N.J.S.A. 40A:4-55.1 SPECIAL EMERGENCY
DECEMBER 31, 2013

A-13

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/3 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2012</u>	<u>Budget Appropriation</u>	<u>Balance Dec. 31, 2013</u>
12-12-11	Storm Damage	\$ 164,184.06	\$ 54,728.02	<u>\$ 109,456.04</u>	<u>\$ 109,456.04</u>	<u>\$</u>
	<u>Ref.</u>			A	A-3	

DEFERRED CHARGES
N.J.S.A. 40A:4-53 SPECIAL EMERGENCY
YEAR ENDED DECEMBER 31, 2013

A-14

<u>Date Authorized</u>	<u>Purpose</u>	<u>Net Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance Dec. 31, 2012</u>	<u>Budget Appropriation</u>	<u>Balance Dec. 31, 2013</u>
07-09-12	Revaluation	\$ 270,000.00	\$ 54,000.00	\$ 270,000.00	\$ 54,000.00	\$ 216,000.00
12-10-12	Hurricane Sandy	330,000.00	66,000.00	<u>330,000.00</u>	<u>111,280.85</u>	<u>218,719.15</u>
				<u>\$ 600,000.00</u>	<u>\$ 165,280.85</u>	<u>\$ 434,719.15</u>
	<u>Ref.</u>			A	A-3	A

BOROUGH OF GLEN RIDGE
CURRENT FUND

APPROPRIATION RESERVES
DECEMBER 31, 2013

A-15
Sheet # 1

Appropriations	Balance Dec. 31, 2012		Balance After Transfers	Expended	Balance Lapsed
	Encumbered	Unencumbered			
<u>GENERAL GOVERNMENT</u>					
Administrative and Executive:					
Other Expenses	\$ 1,646.36	\$ 1,837.27	\$ 1,683.63	\$ 1,422.81	\$ 260.82
Elections:					
Other Expenses		272.91	272.91		272.91
Financial Administration:					
Salaries and Wages		0.97	0.97		0.97
Annual Audit		25,000.00	25,000.00	25,000.00	
Other Expenses	20,606.42	4,785.51	22,391.93	9,091.00	13,300.93
Assessment of Taxes:					
Salaries and Wages	1,232.00	3,141.26	4,373.26	1,232.00	3,141.26
Other Expenses	280.00	5,026.19	3,306.19	3,100.00	206.19
Revaluation	150,546.00	53,800.00	204,346.00	178,757.59	25,588.41
Collection of Taxes:					
Salaries and Wages					
Other Expenses	129.23		129.23	129.23	
Community Affairs and Public Relations:					
Other Expenses	250.00	3,172.77	5,322.77	3,000.00	2,322.77
Legal Services and Costs:					
Salaries and Wages		71.10	71.10		71.10
Other Expenses	2,239.10	992.40	38,231.50	19,889.20	18,342.30
Engineering Services and Costs:					
Salaries and Wages					
Other Expenses		3,540.02	740.02	300.00	440.02
Public Buildings and Grounds:					
Salaries and Wages			10,000.00	991.20	9,008.80
Other Expenses	12,583.65	3,629.81	13,213.46	10,019.28	3,194.18
Planning Board:					
Other Expenses		2,318.96	968.96		968.96
Board of Adjustment:					
Other Expenses		2,229.20	279.20		279.20
Shade Tree Commission:					
Salaries and Wages		566.92	566.92		566.92
Other Expenses	15,978.00	1,562.48	17,540.48	12,103.00	5,437.48
Insurance:					
General Liability		9,500.00	9,500.00		9,500.00
Workmen's Compensation		1.00	1.00		1.00
Group Health		15,029.52	29.52		29.52
Municipal Court:					
Salaries and Wages			500.00	481.41	18.59
Other Expenses	45.90	1,454.97	100.87	100.87	0.00
<u>PUBLIC SAFETY</u>					
Department of Public Safety:					
Salaries and Wages		1,061.03	4,287.03	4,247.26	39.77
Other Expenses	10,175.72	600.57	12,776.29	12,277.80	498.49
<u>STREETS AND ROADS</u>					
Road Repair and Maintenance:					
Salaries and Wages			358.00	357.96	0.04
Other Expenses	12,036.57	8,384.48	12,421.05	10,401.83	2,019.22
Storms:					
Salaries and Wages			3,550.00	3,546.73	3.27
Other Expenses		743.75	743.75	455.25	288.50
Crossing Guards:					
Salaries and Wages			6,786.00	6,717.76	68.24
Police Dispatchers:					
Salaries and Wages		3,873.35	2,873.35	2,855.64	17.71

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
CURRENT FUND

APPROPRIATION RESERVES
DECEMBER 31, 2013

A-15
Sheet # 2

Appropriations	Balance Dec. 31, 2012		Balance After Transfers	Expended	Balance Lapsed
	Encumbered	Unencumbered			
<u>SANITATION</u>					
Sewer System:					
Salaries and Wages	\$	\$ 1,772.90	\$ 1,772.90	\$	\$ 1,772.90
Other Expenses		2,554.80	54.80		54.80
Garbage and Trash Removal:					
Other Expenses	43,452.00	538.38	43,990.38	43,706.48	283.90
<u>HEALTH AND WELFARE</u>					
Board of Health:					
Salaries and Wages		485.55	485.55		485.55
Other Expenses	950.99	114.19	1,065.18	450.99	614.19
<u>RECREATION AND EDUCATION</u>					
Parks and Playgrounds:					
Salaries and Wages		1,223.33	1,803.33	1,803.06	0.27
Other Expenses	2,248.04	5,864.81	3,112.85	1,215.97	1,896.88
Hurrell Field:					
Salaries and Wages					
Other Expenses	906.00	4,488.92	1,494.92	357.87	1,137.05
Recreation:					
Salaries and Wages			2,250.00	2,249.50	0.50
Other Expenses	1,110.00	3,294.91	1,404.91	557.56	847.35
Jitney Operation:					
Salaries and Wages		414.66	5,064.66	5,058.47	6.19
Other Expenses		1,608.10	508.10	507.25	0.85
<u>UNIFORM CONSTRUCTION CODE</u>					
Construction Code Officials:					
Inspection of Buildings:					
Salaries and Wages		14,344.82	344.82		344.82
Other Expenses	189.27	162.13	351.40	189.27	162.13
<u>UNCLASSIFIED</u>					
Electricity	127.31	20,329.32	20,456.63	7,069.11	13,387.52
Gasoline, Diesel Fuel and Lubricants	6,804.24	15,490.36	22,294.60	15,499.06	6,795.54
Heating Gas					
Street Lighting		23,600.27	23,600.27	19,018.22	4,582.05
<u>STATUTORY EXPENDITURES</u>					
Contributions to:					
Social Security System		6,329.89	6,329.89	94.24	6,235.65
<u>OTHER OPERATIONS</u>					
Joint Outlet Sewer Maintenance		2,638.33	2,638.33		2,638.33
Maintenance of Free Public Library		35,796.20	35,796.20	35,796.20	
Emergency -Hurricane Sandy	22,332.04	79,665.35	101,997.39	101,997.39	0.00
Recycling Tax		4,054.32	4,054.32		4,054.32
<u>Interlocal Municipal Service Agreements</u>					
Township of Montclair:					
Health Services		6,374.00	6,374.00		6,374.00
	<u>\$ 305,868.84</u>	<u>\$ 383,741.98</u>	<u>\$ 689,610.82</u>	<u>\$ 542,048.46</u>	<u>\$ 147,562.36</u>
Ref.	A	A		A-4	A-1

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
CURRENT FUND

ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2013

A-16

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 31,817.78
Decreased by:		
Cash Disbursements	A-4	<u>31,817.78</u>
Balance, December 31, 2013		<u><u>\$</u></u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
CURRENT FUND

DUE TO STATE OF NEW JERSEY
(OTHER FEES)
YEAR ENDED DECEMBER 31, 2013

A-17

	<u>Ref.</u>	<u>Total</u>	<u>Marriage License/ Burial Fees</u>	<u>Building Construction Training Fee</u>
Balance, December 31, 2012	A	\$ 2,945.00	\$ 575.00	\$ 2,370.00
Increased by:				
Cash Receipts	A-4	<u>13,592.00</u>	<u>775.00</u>	<u>12,817.00</u>
		16,537.00	1,350.00	15,187.00
Decreased by:				
Paid to State	A-4	<u>11,059.00</u>	<u>1,025.00</u>	<u>10,034.00</u>
Balance, December 31, 2013	A	<u>\$ 5,478.00</u>	<u>\$ 325.00</u>	<u>\$ 5,153.00</u>

TAX OVERPAYMENTS
YEAR ENDED DECEMBER 31, 2013

A-18

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 38,006.88
Increased by:		
Cash Receipts	A-4	<u>141,509.21</u>
		179,516.09
Decreased by:		
Refunds	A-4	<u>53,628.17</u>
Balance, December 31, 2013	A	<u>\$ 125,887.92</u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
CURRENT FUND

INSPECTION FEES PAYABLE
YEAR ENDED DECEMBER 31, 2013

A-19

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 1,318.00
Increased by:		
Cash Receipts	A-4	12,755.00
		<u>14,073.00</u>
Decreased by:		
Cash Disbursements	A-4	13,313.00
		<u>13,313.00</u>
Balance, December 31, 2013	A	<u>\$ 760.00</u>

COUNTY TAXES PAYABLE
YEAR ENDED DECEMBER 31, 2013

A-20

	<u>Ref.</u>		
Increased by:			
2013 Levy:			
General County	A-7	\$ 7,003,710.65	
Open Space Preservation	A-7	223,468.29	
Due County for Added Taxes	A-7	7,948.47	
	A-1, A-2a	<u>7,948.47</u>	\$ 7,235,127.41
Decreased by:			
Payments	A-4		<u>7,235,127.41</u>
Balance, December 31, 2013			<u>\$</u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
CURRENT FUND

LOCAL DISTRICT SCHOOL TAX
YEAR ENDED DECEMBER 31, 2013

A-21

	<u>Ref.</u>	<u>Payable</u>	<u>Deferred</u>
Balance, December 31, 2012		\$	\$ 13,172,054.50
Increased by:			
School Tax Levy - July 1, 2013 to June 30, 2014	A-1, A-2a, A-7	26,857,652.00	
Additional School Tax Deferred	Reserve		256,771.50
		<u>26,857,652.00</u>	<u>13,428,826.00</u>
Decreased by:			
Increase in Deferred School Taxes	A-1	256,771.50	
Applied from Prepaid School Tax	A-22	141,325.63	
Paid	A-4	26,459,554.87	
		<u>26,857,652.00</u>	
Balance, December 31, 2013		<u>\$</u>	<u>\$ 13,428,826.00</u>

PREPAID SCHOOL TAX
YEAR ENDED DECEMBER 31, 2013

A-22

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 141,325.63
Increased by:		
Cash Disbursements	A-4	136,330.13
		<u>277,655.76</u>
Decreased by:		
School Taxes Payable Applied	A-21	141,325.63
Balance, December 31, 2013	A	<u>\$ 136,330.13</u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
CURRENT FUND

EMERGENCY NOTE PAYABLE
YEAR ENDED DECEMBER 31, 2013

A-23

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 709,456.04
Increased by:		
Cash Receipts	A-4	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">678,120.00</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
		1,387,576.04
Decreased by:		
Cash Disbursements	A-4	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">709,456.04</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
Balance, December 31, 2013	A	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">\$ 678,120.00</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 100px;"></div> </div>

TAX ANTICIPATION NOTE PAYABLE
YEAR ENDED DECEMBER 31, 2013

A-24

	<u>Ref.</u>	
Balance, December 31, 2012	A	1,595,000.00
Increased by:		
Cash Receipts	A-4	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">1,800,000.00</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
		3,395,000.00
Decreased by:		
Cash Disbursements	A-4	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">1,595,000.00</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
Balance, December 31, 2013	A	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">\$1,800,000.00</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 100px;"></div> </div>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
CURRENT FUND

RESERVE FOR PREPAID SCHOOL TAX
YEAR ENDED DECEMBER 31, 2013

A-25

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 141,325.63
Increased by:		
Prepaid School Payment	A-1	136,330.13
		<u>277,655.76</u>
Decreased by:		
Applied to Revenue	A-2	141,325.63
		<u>141,325.63</u>
Balance, December 31, 2013	A	<u>\$ 136,330.13</u>

PREPAID TAXES
YEAR ENDED DECEMBER 31, 2013

A-26

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 321,065.97
Increased by:		
Cash Collections	A-4	144,651.62
		<u>465,717.59</u>
Decreased by:		
Applied to Current Taxes Receivable	A-7	321,065.97
		<u>321,065.97</u>
Balance, December 31, 2013	A	<u>\$ 144,651.62</u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
FEDERAL AND STATE GRANT FUND

FEDERAL AND STATE GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

A-27

	<u>Balance Dec. 31, 2012</u>	<u>Budget Revenue Realized</u>	<u>Collected</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2013</u>
Clean Communities	\$	\$ 11,078.96	\$ 11,078.96	\$	\$
Municipal Alliance on Alcohol and Drug Abuse:					
2013		38,895.00	17,165.97		21,729.03
2012	38,950.00		32,007.83	6,942.17	
Body Armor Replacement Fund		3,011.63	3,011.63		
Drive Sober or get Pulled Over		4,225.00	4,225.00		
Drunk Driving Enforcement Program		10,268.33	10,268.33		
Recycling Program		8,779.88	8,779.88		
Alcohol, Education and Rehabilitation		3,243.80	3,243.80		
	<u>\$ 38,950.00</u>	<u>\$ 79,502.60</u>	<u>\$ 89,781.40</u>	<u>\$ 6,942.17</u>	<u>\$ 21,729.03</u>
Reference	A	A-28	Below	A-29	A
		Ref.			
Unappropriated Reserves		A-30	\$ 17,737.13		
Interfunds		A-28	<u>72,044.27</u>		
			<u>\$ 89,781.40</u>		

BOROUGH OF GLEN RIDGE
FEDERAL AND STATE GRANT FUND

INTERFUNDS
YEAR ENDED DECEMBER 31, 2013

A-28

	<u>Ref.</u>		<u>Current Fund</u>
Balance, December 31, 2012:			
Due From	A		\$ 41,510.05
Increased by:			
Unappropriated Grants Received	A-30	\$ 1,477.69	
Cash Collections through Current Fund	A-27	72,044.27	
Budget Appropriations	A-29	<u>89,240.60</u>	
			<u>162,762.56</u>
			204,272.61
Decreased by:			
Anticipated Revenue	A-27	79,502.60	
Expenditures Paid through Current Fund	A-29	<u>51,172.52</u>	
			<u>130,675.12</u>
Balance, December 31, 2013:			
Due From	A		<u>\$ 73,597.49</u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
FEDERAL AND STATE GRANT FUND

RESERVE FOR FEDERAL AND STATE GRANTS - APPROPRIATED
YEAR ENDED DECEMBER 31, 2013

A-29

	Balance Dec. 31, 2012	Transferred from 2013 Budget Appropriations		Paid or Charged	Canceled	Balance Dec. 31, 2013
		Budget	Appropriations 40A4-87			
Recycling Tonnage Aid	\$	\$	\$ 8,779.88	\$	\$	\$ 8,779.88
Clean Communities Program:						
2012	9,436.28					9,436.28
2011	2,851.01					2,851.01
2013		11,078.96		11,078.96		
Municipal Alliance on Alcohol and Drug Abuse:						
2013		48,633.00		32,196.98		16,436.02
2011	14,163.21				62.70	14,100.51
2012	21,129.47			5,400.00	6,879.47	8,850.00
Drive Sober or Get Pulled Over		4,225.00				4,225.00
Drunk Driving Enforcement Fund		10,268.33		395.00		9,873.33
Body Armor Replacement Fund	2,101.58		3,011.63	2,101.58		3,011.63
Domestic Violence Response Team	1,001.75					1,001.75
NJ Historic Trust	6,090.00					6,090.00
Alcohol Education and Rehabilitation Fund	5,949.62	3,243.80				9,193.42
	<u>\$ 62,722.92</u>	<u>\$ 77,449.09</u>	<u>\$ 11,791.51</u>	<u>\$ 51,172.52</u>	<u>\$ 6,942.17</u>	<u>\$ 93,848.83</u>
Reference	A	A-28	A-28	A-28	A-27	A

BOROUGH OF GLEN RIDGE
CURRENT FUND

RESERVE FOR GRANTS - UNAPPROPRIATED
YEAR ENDED DECEMBER 31, 2013

A-30

	<u>Ref.</u>	
Balance, December 31, 2012	A	\$ 17,737.13
Increased by:		
Due from Current Fund	A-28	<u>1,477.69</u>
		19,214.82
Decreased by:		
Anticipated Revenue	A-27	<u>17,737.13</u>
Balance, December 31, 2013	A	<u>\$ 1,477.69</u>
<u>Analysis of Balance</u>		
Alcohol Education and Rehabilitation		<u>\$ 1,477.69</u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
TRUST FUND

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2013

B-2

	<u>Ref.</u>	<u>Animal Control Fund</u>		<u>General Trust Fund</u>	
Balance, December 31, 2012	B	\$	\$ 20,588.08	\$	\$ 269,009.32
Increased by Receipts:					
Due to State of New Jersey	B-5		442.20		
Net Payroll and Deductions	B-7			6,176,845.15	
Account Receivable	B-4			5,730.00	
Prepaid Licenses	B-6		480.00		
Animal Control Fees	B-9		5,592.80		
Interfunds Payable	B-8			251,453.09	
Special Deposits	B-10			521,993.91	
Unemployment Insurance	B-11			29,958.92	
			<u>6,515.00</u>		<u>6,985,981.07</u>
			27,103.08		7,254,990.39
Decreased by Disbursements:					
Due to State of New Jersey	B-5		420.00		
Interfunds Payable	B-8		3,976.08	63,328.27	
Net Payroll and Deductions	B-7			6,169,734.16	
Animal Control Fund Expenditures	B-9		1,030.91		
Special Deposits	B-10			273,211.30	
			<u>5,426.99</u>		<u>6,506,273.73</u>
Balance, December 31, 2013	B		<u>\$ 21,676.09</u>		<u>\$ 748,716.66</u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
TRUST FUND

COMMUNITY DEVELOPMENT BLOCK GRANT RECEIVABLE B-3
YEAR ENDED DECEMBER 31, 2013

	<u>Ref.</u>	<u>General Trust Fund</u>
Balance, December 31, 2012	B	\$ 39,500.00
Increased by:		
Grant Award:		
Reserve	B-12	<u>39,500.00</u>
Balance, December 31, 2013	B	<u><u>\$ 79,000.00</u></u>
<u>Analysis of Balance</u>		
Program Year 2012		\$ 39,500.00
Program Year 2013		<u>39,500.00</u>
		<u><u>\$ 79,000.00</u></u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
TRUST FUND

POLICE OUTSIDE SERVICE RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

B-4

	<u>Ref.</u>	
Balance, December 31, 2012	B	\$ 5,730.00
Increased by:		
Due from Contractors	B-10	<u>41,185.00</u>
		46,915.00
Decreased by:		
Cash Receipts	B-2	<u>5,730.00</u>
Balance, December 31, 2013	B	<u><u>\$ 41,185.00</u></u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
TRUST FUND

DUE TO STATE OF NEW JERSEY
YEAR ENDED DECEMBER 31, 2013

B-5

	<u>Ref.</u>	<u>Dog License Fund</u>	
Increased by:			
State Registration Fees		\$ 311.00	
Population Control		69.00	
Pilot Clinic		<u>62.20</u>	
	B-2		<u>442.20</u>
			442.20
Decreased by:			
Payments to State of New Jersey	B-2		<u>420.00</u>
Balance, December 31, 2013	B		<u>\$ 22.20</u>

PREPAID LICENSES
YEAR ENDED DECEMBER 31, 2013

B-6

	<u>Ref.</u>	
Increased by:		
Cash Receipts	B-2	<u>\$ 480.00</u>
Balance, December 31, 2013	B	<u>\$ 480.00</u>

BOROUGH OF GLEN RIDGE
TRUST FUND

PAYROLL DEDUCTIONS PAYABLE
YEAR ENDED DECEMBER 31, 2013

B-7

	<u>Ref.</u>	
Balance, December 31, 2012	B	\$ 40,026.29
Increased by:		
Cash Receipts:		
Gross Payroll		\$ 5,101,198.34
Clothing Allowance		21,350.00
State Unemployment Refund		4,096.42
Annual PERS, PFRS		815,509.00
Interfund and other refunds		1,291.96
Employer Share of Social Security		233,399.43
	B-2	<div style="border-top: 1px solid black; display: inline-block; width: 100%;">6,176,845.15</div>
		6,216,871.44
Decreased by:		
Net Payroll and Agency Payments	B-2	<div style="border-top: 1px solid black; display: inline-block; width: 100%;">6,169,734.16</div>
Balance, December 31, 2013	B	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; width: 100%;">\$ 47,137.28</div>
<u>Analysis of Balance</u>		
Police and Firemen's Retirement System		\$ 22,479.61
Public Employees' Retirement System		14,782.01
AFLAC		4,494.22
CWA Dues		676.10
PBA		1,816.16
Other Deductions Payable		1,736.64
Health Benefits-Flex Account		1,152.54
		<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; width: 100%;">\$ 47,137.28</div>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
TRUST FUND

INTERFUNDS
YEAR ENDED DECEMBER 31, 2013

B-8

	<u>Ref.</u>	<u>General Trust Fund</u>				<u>Animal Control Fund</u>
		<u>Total</u>	<u>Water Operating</u>	<u>Current Fund</u>	<u>Payroll Account</u>	<u>Current Fund</u>
Balance, December 31, 2012:	B					
Due To		<u>\$ 48,397.62</u>	<u>\$</u>	<u>\$ 47,892.65</u>	<u>\$ 504.97</u>	<u>\$ 3,976.08</u>
(Due from)		<u>\$ (230,045.07)</u>	<u>\$ (230,045.07)</u>			
Increased by:						
Cash Receipts	B-2	251,453.09	230,505.20	16,896.54	4,051.35	
Special Deposits Canceled	B-10	55,984.60		55,984.60		
Excess Animal Control Balance	B-9					8,858.09
		<u>307,437.69</u>	<u>230,505.20</u>	<u>72,881.14</u>	<u>4,051.35</u>	<u>8,858.09</u>
		<u>125,790.24</u>	<u>460.13</u>	<u>120,773.79</u>	<u>4,556.32</u>	<u>12,834.17</u>
Decreased by:						
Cash Disbursements	B-2	<u>63,328.27</u>		<u>63,328.27</u>		<u>3,976.08</u>
Balance, December 31, 2013	B	<u><u>\$ 62,461.97</u></u>	<u><u>\$ 460.13</u></u>	<u><u>\$ 57,445.52</u></u>	<u><u>\$ 4,556.32</u></u>	<u><u>\$ 8,858.09</u></u>

BOROUGH OF GLEN RIDGE
TRUST FUND

RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES
YEAR ENDED DECEMBER 31, 2013

B-9

	<u>Ref.</u>		
Balance, December 31, 2012	B		\$ 16,612.00
Increased by:			
Dog License Fees:			
Dog Licenses Issued		\$ 5,224.80	
Dog Licenses Late Charges and Fines		340.00	
		<u>5,564.80</u>	
Unidentified		28.00	
	B-2		<u>5,592.80</u>
			22,204.80
Decreased by:			
Expenditures Under R.S. 41:19-15.11	B-2	1,030.91	
Excess Fund Balance	B-8	<u>8,858.09</u>	
			<u>9,889.00</u>
Balance, December 31, 2013	B		<u>\$ 12,315.80</u>

License Fees Collected

<u>Year</u>	<u>Amount</u>
2012	\$ 7,091.00
2013	<u>5,224.80</u>
Maximum Reserve	<u>\$ 12,315.80</u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
TRUST FUND

RESERVE FOR SPECIAL DEPOSITS
YEAR ENDED DECEMBER 31, 2013

B-10

Account	Balance Dec. 31, 2012	Increase	Decrease	Adjustment	Balance Dec. 31, 2013
Law Enforcement - Confiscated Funds	\$ 9,858.80	\$ 764.45	\$ 810.00	\$	\$ 9,813.25
Leaf Bags		1,485.00		(1,485.00)	
Municipal Court POAA	18,509.14	1,262.00		98.00	19,869.14
Municipal Drug Alliance Committee	15,252.68	3,415.00	2,007.71	500.00	17,159.97
Tax Title Lien Premiums	23,000.00	269,700.00	47,500.00		245,200.00
Tax Title Lien Redemptions		80,244.87	53,417.90		26,826.97
Cable Local Access	4,155.71		2,987.04		1,168.67
Adopt-A-Cop Program	1,467.67				1,467.67
Construction Code Fines	68.15		372.48	304.33	
Public Defender	2,608.00				2,608.00
Mayor Gala	1,783.50				1,783.50
Planning Board Escrow Deposit		500.00	4,571.50	4,071.50	
Board of Adjustment Escrow	220.00	500.00	125.00	500.00	1,095.00
Recreation Programs	6,277.12	6,294.00	7,494.00		5,077.12
Affordable Housing	112,392.50				112,392.50
Glen Ridge Restoration	150.00	2,600.00			2,750.00
Senior Community Center Fund	3,926.03	600.00	148.33		4,377.70
Library Accumulated Absence	17,059.42	3,371.05			20,430.47
Tree Replacement	12,837.67	8,895.00	13,820.00		7,912.67
Police Outside Service Receivable	39,960.02	139,021.79	138,276.25	(19,128.77)	21,576.79
Environmental Advisory		840.75	1,181.09	340.34	
Domestic Violence		2,500.00	500.00		2,000.00
	<u>\$ 269,526.41</u>	<u>\$ 521,993.91</u>	<u>\$ 273,211.30</u>	<u>\$ (14,799.60)</u>	<u>\$ 503,509.42</u>

Ref. B B-2 B-2 Below B

Ref.

Account Receivable	B-4	\$ 41,185.00
Due Current Fund	B-8	(55,984.60)
		<u>\$ (14,799.60)</u>

BOROUGH OF GLEN RIDGE
TRUST FUND

RESERVE FOR STATE UNEMPLOYMENT
COMPENSATION INSURANCE TRUST FUND
YEAR ENDED DECEMBER 31, 2013

B-11

	<u>Ref.</u>	
Balance, December 31, 2012	B	\$ 146,805.72
Increased by:		
Cash Receipts		\$ 27,096.42
Employee Deductions		<u>2,862.50</u>
	B-2	<u>29,958.92</u>
Balance, December 31, 2013	B	<u>\$ 176,764.64</u>

RESERVE FOR COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED DECEMBER 31, 2013

B-12

	<u>Ref.</u>	
Balance, December 31, 2012	B	\$ 39,500.00
Increased by:		
Grant Awards	B-3	<u>39,500.00</u>
Balance, December 31, 2013	B	<u>\$ 79,000.00</u>

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2013

C-2

	<u>Ref.</u>		
Balance, December 31, 2012	C		\$ 48,944.00
Increased by:			
Capital Improvement Fund	C-10	\$ 158,000.00	
Bond Anticipation Note	C-12	94,000.00	
Interfunds	C-6	<u>92,750.40</u>	
			<u>344,750.40</u>
			393,694.40
Decreased by:			
Bond Anticipation Note	C-12	94,000.00	
Improvement Authorizations	C-9	<u>298,559.32</u>	
			<u>392,559.32</u>
Balance, December 31, 2013	C		<u><u>\$ 1,135.08</u></u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

ANALYSIS OF CASH AND INVESTMENTS
YEAR ENDED DECEMBER 31, 2013

C-3

Ordinance Number		Balance	Receipts	Disbursed	Transfers		Balance
		December 31, 2012			From	To	December 31, 2013
	Capital Improvement Fund	\$ 80,965.70	\$ 158,000.00	\$	\$ 236,129.54	\$	\$ 2,836.16
	Due to Current Fund	(15,250.40)	92,750.40		52,500.00		25,000.00
	Due From Water Capital Fund Balance	13,153.49			13,153.49	17.72	17.72
	<u>Improvement Authorizations</u>						
1524	Replacement of Sanitary Sewer Pipes	(2,163.56)		67,992.96			(70,156.52)
1535	Various Capital Improvements	41.30					41.30
1568-1A	Removal and Planting of Trees	795.00					795.00
1574	Various Capital Improvements	1,222.87			1.36		1,221.51
1577	Various Capital Improvements	2,024.80		6,936.00	15.00	14,437.74	9,511.54
1583	Various Capital Improvements	(31,845.20)		11,106.00		52,500.00	9,548.80
1587	Various Capital Improvements			104,603.99	1.36	104,845.29	239.94
1597	Improvements to Public Buildings and Parks			37,707.50		50,000.00	12,292.50
1599	Shade Tree			29,381.75		30,000.00	618.25
1602	Public Works Equipment			40,831.12		50,000.00	9,168.88
							-
		<u>\$ 48,944.00</u>	<u>\$ 250,750.40</u>	<u>\$ 298,559.32</u>	<u>\$ 301,800.75</u>	<u>\$ 301,800.75</u>	<u>\$ 1,135.08</u>
Ref.		C	C-2	C-2	Contra	Contra	C

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

DUE FROM STATE OF NEW JERSEY
DEPARTMENT OF TRANSPORTATION GRANTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

C-4

	<u>Ref.</u>	
Balance, December 31, 2012	C	\$ 52,500.00
Decreased by:		
Interfund from Current Fund	C-6	<u>52,500.00</u>
Balance, December 31, 2013	C	<u><u>\$</u></u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

ENVIRONMENTAL INFRASTRUCTURE LOAN RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

C-5

	<u>Ref.</u>	
Balance, December 31, 2012	C	<u>\$ 64,657.00</u>
Balance, December 31, 2013	C	<u><u>\$ 64,657.00</u></u>
<u>Analysis of Balance:</u>		
Ordinance #1524		<u><u>\$ 64,657.00</u></u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

INTERFUNDS
YEAR ENDED DECEMBER 31, 2013

C-6

	<u>Ref.</u>	<u>Total</u>	<u>Current</u>
Balance, December 31, 2012: (Due From)	C	\$ 15,250.40	\$ 15,250.40
Increased by: Grant Deposited in Current	C-4	<u>52,500.00</u>	<u>52,500.00</u>
Sub-Total		67,750.40	67,750.40
Decreased by: Cash Receipts	C-2	<u>92,750.40</u>	<u>92,750.40</u>
Balance, December 31, 2013: (Due To)	C	<u><u>\$ (25,000.00)</u></u>	<u><u>\$ (25,000.00)</u></u>

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - FUNDED
YEAR ENDED DECEMBER 31, 2013

C-7

	<u>Ref.</u>		
Balance, December 31, 2012	C		\$4,629,413.08
Decreased by:			
Bonds Paid By Budget	C-13	\$ 300,000.00	
Loans Paid By Budget	C-11, C-14	<u>43,180.70</u>	
			<u>343,180.70</u>
Balance, December 31, 2013	C		<u>\$4,286,232.38</u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED
YEAR ENDED DECEMBER 31, 2013

C-8

Ordinance Number	Improvement Authorization	Analysis of Balance				
		Balance Dec. 31, 2012	Decrease	Balance Dec. 31, 2013	Bond Anticipation Note	Improvement Authorization
1524	Replacement of Sanitary Sewer Pipes	\$ 59,485.00	\$	\$ 59,485.00	\$	\$ 59,485.00
1572	Refunding Bond Ordinance for Tax Appeals	188,000.00	94,000.00	94,000.00	94,000.00	
		<u>\$ 247,485.00</u>	<u>\$ 94,000.00</u>	<u>\$ 153,485.00</u>	<u>\$ 94,000.00</u>	<u>\$ 59,485.00</u>
	<u>Ref.</u>	C	C-12	C	C-12	C-9

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2013

C-9

Description	Ordinance Number	Date	Original Amount	Balance Dec. 31, 2012		2013 Authorized	Paid or Charged	Canceled	Balance Dec. 31, 2013	
				Funded	Unfunded				Funded	Unfunded
Replacement of Sanitary Sewer Pipes	1524	9-14-09	\$ 410,000.00	\$ 62,493.44	\$ 59,485.00	\$	\$ 67,992.96	\$	\$	\$ 53,985.48
Library and Municipal Bldg	1535-6	9-13-10	22,500.00	41.30					41.30	
Various Capital Improvements:										
Removal and Planting of Trees	1568-1A	9-26-11	30,000.00	795.00					795.00	
Purchase of Public Works Equipment	1574-1A	2-27-12	20,857.79	1.36				1.36	0.00	
Purchase of Public Works and Admin Equipment	1574-3A	2-27-12	15,000.00	771.51					771.51	
Drainage	1574-4A	2-27-12	6,000.00	450.00					450.00	
Engineer Service	1577-2	4-23-12	8,000.00	15.00				15.00		
Various Equipment	1577-3	4-23-12	24,000.00	1,824.80			886.00		938.80	
Paint Machine	1577-5	4-23-12	3,700.00	185.00					185.00	
Administrative Equipment	1577-6	4-23-12	14,437.74			14,437.74	6,050.00		8,387.74	
Roadway Improvements	1583-1	9-10-12	296,000.00	18,929.80			9,381.00		9,548.80	
Municipal Complex	1583-2	9-10-12	6,500.00	1,725.00			1,725.00			
Purchase of Equipment	1587-1	2-11-13	20,857.79			20,857.79	20,856.43	1.36	0.00	
Purchase of Dump Truck	1587-2	2-11-13	8,987.50			8,987.50	8,987.50			
Public Works Equipment	1587-3	2-11-13	75,000.00			75,000.00	74,760.06		239.94	
Improvements to Public Works and Parks	1597	9-23-13	50,000.00			50,000.00	37,707.50		12,292.50	
Shade Tree	1599	10-28-13	30,000.00			30,000.00	29,381.75		618.25	
Public Works Equipment	1602	11-25-13	50,000.00			50,000.00	40,831.12		9,168.88	
				<u>\$ 87,232.21</u>	<u>\$ 59,485.00</u>	<u>\$ 249,283.03</u>	<u>\$ 298,559.32</u>	<u>\$ 17.72</u>	<u>\$ 43,437.72</u>	<u>\$ 53,985.48</u>
				<u>C</u>	<u>C</u>	<u>Below</u>	<u>C-2</u>	<u>C-1</u>	<u>C</u>	<u>C</u>
				<u>Ref.</u>						
Fund Balance				C-1		\$ 13,153.49				
Capital Improvement Fund				C-10		<u>236,129.54</u>				
				Above		<u>\$ 249,283.03</u>				

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

CAPITAL IMPROVEMENT FUND
YEAR ENDED DECEMBER 31, 2013

C-10

	<u>Ref.</u>	
Balance, December 31, 2012	C	\$ 80,965.70
Increased by:		
Cash Receipt - Budget Appropriation	C-2	158,000.00
		<u>238,965.70</u>
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-9	236,129.54
		<u>236,129.54</u>
Balance, December 31, 2013	C	<u>\$ 2,836.16</u>

GREEN TRUST LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2013

C-11

	<u>Ref.</u>	
Balance, December 31, 2012	C	\$ 389,195.95
Decreased by:		
Paid By Budget Appropriation	C-7	29,001.98
		<u>29,001.98</u>
Balance, December 31, 2013	C	<u>\$ 360,193.97</u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2013

C-12

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Original Issue</u>	<u>Date of Maturity</u>	<u>Rate of Interest</u>	<u>Balance Dec. 31, 2012</u>	<u>Notes Issued</u>	<u>Notes Redeemed</u>	<u>Balance Dec. 31, 2013</u>
1572	Tax Appeal Refunding	12-30-11	12-31-12	1.5%	<u>\$ 188,000.00</u>	<u>\$ 94,000.00</u>	<u>\$ 188,000.00</u>	<u>\$ 94,000.00</u>
					<u>\$ 188,000.00</u>	<u>\$ 94,000.00</u>	<u>\$ 188,000.00</u>	<u>\$ 94,000.00</u>
				<u>Ref.</u>	C	C-2	Below	C
						Ref.		
				Cash Disbursements		C-2	\$ 94,000.00	
				Deferred Charges to Future Taxation - Unfunded		C-8	<u>94,000.00</u>	
							<u>\$ 188,000.00</u>	

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

GENERAL IMPROVEMENT BONDS
DECEMBER 31, 2013

C-13

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding Dec. 31, 2013		Interest Rate	Balance Dec. 31, 2012	Decrease	Balance Dec. 31, 2013
			Date	Amount				
General Improvements	8-15-2007	\$ 5,160,000.00	8-15-14/15	\$ 325,000.00	4.25 %			
			8-15-16/17	350,000.00	4.25			
			8-15-18	350,000.00	4.00			
			8-15-19/20	375,000.00	4.00			
			8-15-21	375,000.00	4.125			
			8-15-22	400,000.00	4.125			
			8-15-23	385,000.00	4.125	<u>\$ 3,910,000.00</u>	<u>\$ 300,000.00</u>	<u>\$ 3,610,000.00</u>
					<u>Ref.</u>	C	C-7	C

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

ENVIRONMENTAL INFRASTRUCTURE LOAN PAYABLE
YEAR ENDED DECEMBER 31, 2013

C-14

	<u>Ref.</u>	
Balance, December 31, 2012	C	\$ 330,217.13
Decreased by:		
Loan Paid	C-7	<u>14,178.72</u>
Balance, December 31, 2013	C	<u><u>\$ 316,038.41</u></u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
GENERAL CAPITAL FUND

BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
YEAR ENDED DECEMBER 31, 2013

C-15

<u>Improvement Description</u>	<u>Ordinance</u>		<u>Amount</u>	<u>Balance</u>	<u>Balance</u>
	<u>Number</u>	<u>Date</u>		<u>Dec. 31, 2012</u>	<u>Dec. 31, 2013</u>
Replacement of Sanitary Sewer Pipes	1524	9-14-09	\$ 410,000.00	<u>\$ 59,485.00</u>	<u>\$ 59,485.00</u>
		<u>Ref.</u>		C	C

BOROUGH OF GLEN RIDGE
WATER UTILITY

CASH RECEIPTS AND DISBURSEMENTS COLLECTOR - TREASURER
YEAR ENDED DECEMBER 31, 2013

D-5

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2012	D	\$ 307,246.56	\$ 53,565.96
Increased by Receipts:			
Miscellaneous Revenue	D-3	\$ 6,241.81	\$
Consumer Accounts Receivable	D-7	1,297,295.82	
Interfunds	D-10	386,009.60	
Overpaid Water Rents	D-12	<u>16,898.23</u>	
		1,706,445.46	
		<u>2,013,692.02</u>	<u>53,565.96</u>
Decreased by Disbursements:			
Budget Appropriations	D-4	1,071,843.78	
Interfunds	D-10	594,140.11	37,000.00
Appropriation Reserves	D-11	2,022.70	
Water Rent Overpayments	D-12	1,569.51	
Accrued Interest on Loans	D-16	<u>98,232.08</u>	
		1,767,808.18	37,000.00
Balance, December 31, 2013	D	<u>\$ 245,883.84</u>	<u>\$ 16,565.96</u>

BOROUGH OF GLEN RIDGE
WATER UTILITY

ANALYSIS OF CASH AND INVESTMENTS
WATER CAPITAL FUND
YEAR ENDED DECEMBER 31, 2013

D-6

	Balance Dec. 31, 2012	Receipts	Disbursements	Transfers		Balance Dec. 31, 2013
				From	To	
Capital Improvement Fund	\$ 4,665.19	\$	\$	\$	\$	\$ 4,665.19
Fund Balance	37,243.27			37,000.00		243.27
Due To/(From) Water Operating Fund			37,000.00		37,000.00	
Reserve for Future Improvements	11,000.00					11,000.00
Improvement Authorizations:						
#1502 Various Improvements	657.50					657.50
	<u>\$ 53,565.96</u>	<u>\$</u>	<u>\$ 37,000.00</u>	<u>\$ 37,000.00</u>	<u>\$ 37,000.00</u>	<u>\$ 16,565.96</u>
<u>Ref.</u>	D		D-5	Contra	Contra	D

BOROUGH OF GLEN RIDGE
WATER UTILITY

CONSUMER ACCOUNTS RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

D-7

	<u>Ref.</u>		
Balance, December 31, 2012	D		\$ 112,902.48
Increased by:			
Rent Billings	Reserve		<u>1,311,792.51</u>
			1,424,694.99
Decreased by:			
Collections	D-5	\$ 1,297,295.82	
Interfunds	D-10	505.20	
Overpaid Applied	D-12	<u>9,170.18</u>	
	D-3		<u>1,306,971.20</u>
Balance, December 31, 2013	D		<u><u>\$ 117,723.79</u></u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
WATER UTILITY

FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2013

D-8

	<u>Ref.</u>	
Balance, December 31, 2012	D	<u>\$ 8,303,185.92</u>
Balance, December 31, 2013	D	<u>\$ 8,303,185.92</u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
WATER UTILITY

FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
YEAR ENDED DECEMBER 31, 2013

D-9

<u>Description</u>	<u>Number</u>	<u>Ordinance</u>		<u>Balance</u>	<u>Balance</u>
		<u>Date</u>	<u>Amount</u>	<u>Dec. 31, 2012</u>	<u>Dec. 31, 2013</u>
Various Improvements	1502	11-24-08	\$ 30,000.00	<u>\$ 30,000.00</u>	<u>\$ 30,000.00</u>
				<u>Ref.</u> D	D

BOROUGH OF GLEN RIDGE
WATER UTILITY
INTERFUNDS
YEAR ENDED DECEMBER 31, 2013

D-10

	Ref.	Water Operating Fund				Water Capital Fund		
		Total	Current	General Trust - Regular	Water Capital	Total	Water Operating	General Capital Fund
Balance December 31, 2012:								
From	D	\$	\$	\$	\$	\$	\$	\$
(To)	D	(230,045.07)		(230,045.07)				
Increased by:								
Consumer Accounts Receivable	D-7	505.20		505.20				
Anticipated Revenue	D-3	37,000.00			37,000.00			
Cash Disbursements	D-5	594,140.11	364,140.11	230,000.00		37,000.00	37,000.00	
Sub-Total		401,600.24	364,140.11	460.13	37,000.00	37,000.00	37,000.00	
Decreased by:								
Expenditure Paid by Current Fund	D-4	18,868.49	18,868.49					
Fund Balance	D-2					37,000.00	37,000.00	
Cash Receipts	D-5	386,009.60	349,009.60		37,000.00			
		404,878.09	367,878.09		37,000.00	37,000.00	37,000.00	
Balance December 31, 2013:								
From	D	\$ 460.13	\$	\$ 460.13	\$	\$	\$	\$
(To)	D	\$ (3,737.98)	\$ (3,737.98)					

BOROUGH OF GLEN RIDGE
WATER UTILITY

APPROPRIATION RESERVES
DECEMBER 31, 2013

D-11

	Balance After Transfers Dec. 31, 2012		Paid or Charged	Balance Lapsed
	<u>Encumbered</u>	<u>Reserved</u>		
Salaries and Wages	\$	\$ 8,661.38	\$	\$ 8,661.38
Other Expenses	464.40	4,445.29	2,022.70	2,886.99
	<u>\$ 464.40</u>	<u>\$ 13,106.67</u>	<u>\$ 2,022.70</u>	<u>\$ 11,548.37</u>
<u>Ref.</u>	D	D	D-5	

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
WATER UTILITY

OVERPAID WATER RENTS
YEAR ENDED DECEMBER 31, 2013

D-12

	<u>Ref.</u>		
Balance, December 31, 2012	D		\$ 9,170.18
Increased by:			
Cash Receipts	D-5		<u>16,898.23</u>
			26,068.41
Decreased by:			
Applied to Rents Receivable	D-7	\$ 9,170.18	
Refund	D-5	<u>1,569.51</u>	
			<u>10,739.69</u>
Balance, December 31, 2013	D		<u><u>\$ 15,328.72</u></u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
WATER UTILITY

IMPROVEMENT AUTHORIZATIONS
YEAR ENDED DECEMBER 31, 2013

D-13

<u>Description</u>	<u>Number</u>	<u>Ordinance</u>		<u>Balance</u> <u>Dec. 31, 2012</u>	<u>Expenditures</u>	<u>Balance</u> <u>Dec. 31, 2013</u>
		<u>Date</u>	<u>Amount</u>	<u>Funded</u>		<u>Funded</u>
Various Water Improvements	1502	11-24-08	\$ 30,000.00	<u>\$ 657.50</u>	<u>\$</u>	<u>\$ 657.50</u>
			<u>Ref.</u>	D		D

BOROUGH OF GLEN RIDGE
WATER UTILITY

LOANS PAYABLE
YEAR ENDED DECEMBER 31, 2013

D-14

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$ 4,833,189.23
Decreased by:		
Loan Repayment	D-18	<u>336,085.86</u>
Balance, December 31, 2013	D	<u>\$ 4,497,103.37</u>

Analysis of Balance

Ordinance #1332	\$ 698,557.52
Ordinance #1393	721,748.37
Ordinance #1426	162,508.59
Ordinance #1442	1,111,614.86
Ordinance #1511	1,110,477.35
Ordinance #1523	<u>692,196.68</u>
	<u>\$ 4,497,103.37</u>

CAPITAL IMPROVEMENT FUND
DECEMBER 31, 2013

D-15

	<u>Ref.</u>	
Balance, December 31, 2012	D	<u>\$ 4,665.19</u>
Balance, December 31, 2013	D	<u>\$ 4,665.19</u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
WATER UTILITY

ACCRUED INTEREST ON LOANS
YEAR ENDED DECEMBER 31, 2013

D-16

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$ 32,025.42
Increased by:		
Budget Appropriation	D-4	107,775.85
		<u>139,801.27</u>
Decreased by:		
Cash Disbursements	D-5	98,232.08
		<u>98,232.08</u>
Balance, December 31, 2013	D	<u>\$ 41,569.19</u>

Analysis of Accrued Interest on Loans at December 31, 2013

<u>Date of Issue</u>	<u>Interest Payable</u>	<u>Period</u>	<u>Amount</u>
10/15/2000	\$ 10,240.63	5 Months	\$ 8,533.86
11/01/2003	9,358.75	5 Months	7,798.96
11/01/2005	2,062.50	5 Months	1,718.75
11/01/2006	13,940.63	5 Months	11,617.19
11/01/2010	6,712.50	5 Months	5,593.75
11/01/2010	8,750.00	5 Months	7,291.67
			<u>\$ 42,554.18</u>

Note: The shortfall has been raised in the 2014 budget.

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
WATER UTILITY

RESERVE FOR FUTURE IMPROVEMENT AUTHORIZATIONS
DECEMBER 31, 2013

D-17

	<u>Ref.</u>	
Balance, December 31, 2012	D	<u>\$ 11,000.00</u>
Balance, December 31, 2013	D	<u>\$ 11,000.00</u>

RESERVE FOR AMORTIZATION
DECEMBER 31, 2013

D-18

	<u>Ref.</u>	
Balance, December 31, 2012	D	\$ 3,499,996.59
Increased by:		
Loan Repayment	D-14	<u>336,085.86</u>
Balance, December 31, 2013	D	<u>\$ 3,836,082.45</u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
POOL UTILITY

CASH RECEIPTS AND DISBURSEMENTS
COLLECTOR-TREASURER
YEAR ENDED DECEMBER 31, 2013

E-5

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2012	E	\$ 189,643.44	\$ 14,623.26
Increased by Receipts:			
Miscellaneous Income	E-3	\$ 25,961.00	
Pool Fees	E-3	377,500.00	
Account Receivable	E-8	109,456.04	
Interfunds	E-9	886,229.99	
Bond Anticipation Note	E-15		500,000.00
Prepaid Membership Fees	E-14	2,500.00	
		<u>1,401,647.03</u>	<u>500,000.00</u>
		1,591,290.47	514,623.26
Decreased by Disbursements:			
Budget Appropriations	E-4	336,581.13	
Interfunds	E-9	887,393.38	
Appropriation Reserves	E-11	9,036.86	
Accrued Interest Payable	E-12	9,000.00	
Bond Anticipation Note	E-15		500,000.00
		<u>1,242,011.37</u>	<u>500,000.00</u>
Balance, December 31, 2013	E	<u>\$ 349,279.10</u>	<u>\$ 14,623.26</u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
POOL UTILITY

CHANGE FUND
DECEMBER 31, 2013

E-6

	<u>Ref.</u>	
Balance, December 31, 2012	E	\$ 100.00
Balance, December 31, 2013	E	\$ 100.00

FIXED CAPITAL
YEAR ENDED DECEMBER 31, 2013

E-7

	<u>Ref.</u>	
Balance, December 31, 2012	E	\$ 1,575,376.74
Increased by:		
Budget Appropriation- Capital Outlay	E-13	17,537.12
Balance, December 31, 2013	E	\$ 1,592,913.86

NOTE RECEIVABLE
YEAR ENDED DECEMBER 31, 2013

E-8

	<u>Ref.</u>	
Balance, December 31, 2012	E	\$ 109,456.04
Decreased by:		
Cash Receipts	E-5	109,456.04
Balance, December 31, 2013		\$

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
POOL UTILITY

DUE FROM CURRENT FUND
YEAR ENDED DECEMBER 31, 2013

E-9

	Ref.	<u>Pool Utility Operating Fund</u>	<u>Pool Utility Capital Fund</u>
Increased by:			
Cash Disbursements	E-5	\$ 887,393.38	\$
Fees Collected in Current Fund	E-3	879.36	
Bond Anticipation Note Issued	E-15		500,000.00
		<u>888,272.74</u>	<u>500,000.00</u>
Decreased by:			
Cash Receipts	E-5	886,229.99	
Budget Appropriation Expenditures	E-4	2,013.39	
		<u>888,243.38</u>	
Balance December 31, 2013	E	<u>\$ 29.36</u>	<u>\$ 500,000.00</u>

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BOROUGH OF GLEN RIDGE
POOL UTILITY
ACCOUNTS PAYABLE
YEAR ENDED DECEMBER 31, 2013

E-10

	<u>Ref.</u>	
Balance, December 31, 2012	E	<u>\$ 1,365.03</u>
Balance, December 31, 2013	E	<u><u>\$ 1,365.03</u></u>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
POOL UTILITY

APPROPRIATION RESERVES
YEAR ENDED DECEMBER 31, 2013

E-11

	Balance December 31, 2012		Paid or Charged	Unexpended Balance Canceled
	Encumbered	Reserved		
Salaries and Wages	\$	\$ 2,524.76	\$	\$ 2,524.76
Other Expenses	891.40	34,373.65	9,036.86	26,228.19
Capital Improvements		39,459.02		39,459.02
	<u>\$ 891.40</u>	<u>\$ 76,357.43</u>	<u>\$ 9,036.86</u>	<u>\$ 68,211.97</u>
<u>Ref.</u>	E	E	E-5	E-1

BOROUGH OF GLEN RIDGE
POOL UTILITY

ACCRUED INTEREST ON NOTES
YEAR ENDED DECEMBER 31, 2013

E-12

	<u>Ref.</u>	
Balance, December 31, 2012	E	\$ 8,250.00
Increased by:		
Budget Appropriation	E-4	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">5,083.33</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
		13,333.33
Decreased by:		
Cash Disbursements	E-5	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">9,000.00</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
Balance, December 31, 2013	E	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">\$ 4,333.33</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 100px;"></div> </div>

Analysis of Accrued Interest on Notes at December 31, 2013

<u>Date of Issue</u>	<u>Principal</u>	<u>Rate</u>	<u>Period</u>	<u>Amount</u>
2/01/2013	\$ 500,000.00	0.90%	11 Months	\$ 4,125.00
12/19/2013	500,000.00	1.25%	12 Days	<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">208.33</div> <div style="border-top: 1px solid black; width: 100px;"></div> </div>
				<div style="display: flex; justify-content: flex-end;"> <div style="text-align: right; margin-right: 10px;">\$ 4,333.33</div> <div style="border-top: 1px solid black; border-bottom: 3px double black; width: 100px;"></div> </div>

See Independent Auditors' Report

BOROUGH OF GLEN RIDGE
POOL UTILITY

RESERVE FOR AMORTIZATION
YEAR ENDED DECEMBER 31, 2013

E-13

	<u>Ref.</u>		
Balance, December 31, 2012	E		\$ 975,376.74
Increased by:			
Paydown on Bond Anticipation Note	E-15	\$ 100,000.00	
Capital Outlay Expenditures	E-7	<u>17,537.12</u>	
			<u>117,537.12</u>
Balance, December 31, 2013	E		<u>\$1,092,913.86</u>

PREPAID FEES
YEAR ENDED DECEMBER 31, 2013

E-14

	<u>Ref.</u>		
Increased by:			
Cash Receipts	E-5	<u>\$ 2,500.00</u>	
Balance, December 31, 2013	E		<u>\$ 2,500.00</u>

BOROUGH OF GLEN RIDGE
POOL CAPITAL FUND
 BOND ANTICIPATION NOTES
YEAR ENDED DECEMBER 31, 2013

E-15

Purpose	Original Date of Issue	Original Amount Issued	Maturity Date	Interest Rate	Balance Dec. 31, 2012	Increase	Decreased	Balance Dec. 31, 2013
Pool Utility Improvements	2-01-2012	\$ 600,000.00	2-01-14	0.90%	\$ 600,000.00	\$ 500,000.00	\$ 600,000.00	\$ 500,000.00
Pool Utility Improvements	12-19-2013	500,000.00	12-19-14	1.25%		500,000.00		500,000.00
					<u>\$ 600,000.00</u>	<u>\$ 1,000,000.00</u>	<u>\$ 600,000.00</u>	<u>\$ 1,000,000.00</u>
			<u>Ref.</u>		E	Below	Below	E
						<u>Ref.</u>		
					Cash Receipts	E-5	\$ 500,000.00	\$
					Cash Disbursements	E-5		500,000.00
					Due From Current Fund	E-9	500,000.00	
					Paid by Budget			
					Appropriation	E-13		100,000.00
							<u>\$ 1,000,000.00</u>	<u>\$ 600,000.00</u>

PART II
REPORT ON INTERNAL CONTROL
ROSTER OF OFFICIALS
COMMENTS AND RECOMMENDATIONS
YEAR ENDED DECEMBER 31, 2013



**Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance With
Government Auditing Standards**

The Honorable Mayor and Members
of the Borough Council
Borough of Glen Ridge
Glen Ridge, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the regulatory basis financial statements of the various funds of the Borough of Glen Ridge, Essex County, New Jersey (the "Borough"), as of and for the year ended December 31, 2013, the related statement of revenues, expenditures and changes in fund balances for the year ended December 31, 2013 and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements, and have issued our report thereon dated June 6, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the regulatory basis financial statements, we considered the Borough's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the regulatory basis financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Borough's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

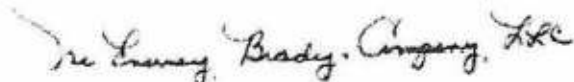
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough's regulatory basis financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Livingston, New Jersey
June 6, 2014



John Lauria, RMA
Licensed Registered Municipal Accountant # 403

**ROSTER OF OFFICIALS AS OF DECEMBER 31, 2013
AND REPORT ON SURETY BONDS**

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>
Peter Hughes	Mayor	\$
David Lefkovits	Council President	
Jeffrey Theodorou	Councilman	
Daniel Murphy	Councilman	
Arthur Dawson	Councilman	
Stuart Patrick	Councilman	
Paul Lisovicz	Councilman	
Michael J. Rohal	Borough Clerk	
	Engineer	
	Borough Administrator	
	Tax Search Officer	
	Officer for Searches for Municipal Improvements	
Irene C. W. Wheat	Chief Financial Officer	100,000.00
Stephen C. Berry, Jr.	Deputy Borough Clerk	
	Municipal Court Administrator	50,000.00
George F. Librizzi	Tax Assessor	
Mark Clemente	Judge - Municipal Court	50,000.00
Donna Altschuler	Tax Collector	300,000.00
	Water Collector	
Michael Zichelli	Director of Planning and Development	
	Deputy Business Administrator	

The Borough is covered through the Municipal Excess Liability Joint Insurance Fund. The coverage is \$1,000,000.00 for covered employees (Tax/Water Collector, Chief Financial Officer and the Court Magistrate, Clerk and Administrator). All other employees are covered in the amount of \$50,000.00.



The Honorable Mayor and Members
of the Borough Council
Borough of Glen Ridge
Glen Ridge, New Jersey

Ladies and Gentlemen:

We have audited the regulatory basis financial statements, State Financial Assistance Programs and supplemental schedules and data of the Borough of Glen Ridge, County of Essex New Jersey (the "Borough") for the year ended December 31, 2013, and have issued our report thereon. As part of our audit, we reviewed and tested the Borough's system of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America and by the Division of Local Government Services of the Department of Community Affairs, State of New Jersey, by the *Government Auditing Standards*, issued by the U.S. General Accounting Office. Compliance requirements were also reviewed in accordance with the requirements of the aforementioned standards and guidelines or, where applicable, the terms and conditions of particular grant agreements.

Other comments with respect to the audit, internal control, and any error, omission, irregularity, violation of law, discrepancy or other nonconformity to the law or regulation found during the audit are herewith set forth.

Livingston, New Jersey
June 6, 2014

John Lauria, RMA
Licensed Registered Municipal Accountant #403

Contracts and Agreements Required to be Advertised per (N.J.S.A. 40A:11-4)

N.J.S.A. 40A:11-4, as amended, states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the Governing Body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the amount set forth in, or the amount calculated by the Governor pursuant to (N.J.S.A. 40A:11-3c) except by contract or agreement."

It is pointed out that the Borough Council has the responsibility of determining whether the expenditures in any category will exceed the threshold set for the fiscal year and, where question arises as to whether any contract or agreement might result in violation of the statute, the opinion of the Borough Attorney should be sought before a commitment is made.

The bidding threshold for the period under audit is \$36,000.00 in accordance with the provisions of N.J.S.A. 40:11-3a.

Notwithstanding N.J.S.A. 40:11-3a, P.L. 2005, Chapter 51 and N.J.S.A. 19:44A-20.5, known as the "Pay to Play Law", provides that a municipality is prohibited from executing any contract in excess of \$17,500.00, on or after January 1, 2006, to a business entity that made certain reportable contributions to any municipal committee of a political party if a member of that party is in office as a member of the governing body of the municipality when the contract is awarded unless proposals or qualifications are solicited through a fair and open process.

It is further noted that contracts between \$17,500.00 and the municipal bidding threshold, known as "window contracts", can be issued by resolution of the governing body without competitive bidding if a non-fair and open process is implemented which prohibits reportable contributions by the business entity. This procedure has been implemented by the Borough.

The minutes indicate that bids were requested by public advertising for all required purchases.

Inasmuch as the system of records did not provide for an accumulation of payments for categories of materials and supplies or related work or labor, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The minutes indicate that proposals were solicited for "Professional Services" in accordance with N.J.S.A. 19:44A:20-5.

It is also noted that certain contracts were awarded under the provisions of N.J.S.A. 40A:11-12, New Jersey State purchasing contracts.

Purchases, Contracts or Agreements Not Required to be Advertised (N.J.S.A. 40A:11-6.1)

N.J.S.A. 40A:11-6.1 states "Except contracts which require the performance of professional services, all contracts or agreements which do not require public advertising for bids and the estimated cost or price exceeds \$5,400.00 at least two quotations as to the cost or price are required. Quotations, whenever practicable, shall be solicited by the contracting agent, and the contract or agreement shall be made with and awarded to the lowest responsible bidder."

It is noted that our sample did not disclose any exception to the quote threshold.

Collection of Interest on Delinquent Taxes

N.J.S.A. 54:4-67, as amended, provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments:

"BE IT RESOLVED by the Council of the Borough of Glen Ridge in the County of Essex that:

the Collector of Taxes for the Borough of Glen Ridge be directed to charge eight (8%) percent per annum for the nonpayment of taxes and assessments which become delinquent subsequent to the effective date of this Resolution, on the first One Thousand - Five Hundred (\$1,500.00) Dollars of delinquency and eighteen (18%) percent per annum on any amount in excess of One Thousand - Five Hundred (\$1,500.00) Dollars; and

BE IT FURTHER RESOLVED, that all Motions or Resolutions inconsistent with the provisions of this Resolution be and the same are hereby rescinded and repealed and that this Resolution shall take effect immediately upon its adoption."

Minor differences were noted in our tests,

Property Acquired by Tax Title Lien Liquidation

There are three properties which remain in tax title lien. If these properties are not readily saleable, they should be placed in the exempt category or otherwise disposed of.

Delinquent Taxes and Tax Title Liens

Delinquent taxes at December 31, 2013 of \$303,109.02 were all 2013 taxes.

The following comparison is made of the number of tax title liens receivable on December 31 of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2013	3
2012	3
2011	3

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services and consisted of the following:

	<u>Number of Notices</u>
Payment of 2013 and 2014 Taxes	25
Delinquent Real Estate Taxes	25
Payment of Water Utility Charges	25
Unpaid Water Utility Charges	25
	<u>100</u>

The results of our test did not determine any irregularities.

Examination of Claims

In verifying expenditures, computations were tested on claims approved and paid. No attempt was made in this connection to establish proof of rendition, character or extent of services, nor quantities, nature, propriety of prices or receipt of materials, these elements being left necessarily to internal review in connection with approval of claims.

Accounting Procedures

It was noted during our audit that an employee was reimbursed for out of pocket expenses related to the Borough operation in excess of \$4,825.12. The effect on these reimbursements could lead to the quote and/or the bid threshold being circumvented and to sales tax being paid.

It is recommended that purchases be made through the Borough's requisition/purchase order system and that reimbursements to employees be kept to a minimum amount which should be established by a Borough resolution.

Administrative Procedures

Pension Eligibility

The State of New Jersey enacted legislation under Ch. 92 P.L. 2007 and codified under N.J.S.A. 43:15A-7.2 and 43:15c-2b(4). The law established that individuals performing professional services 1) under a contract awarded pursuant to N.J.S.A. 40A11.5 or 2) under an independent contract as determined in accordance with rules and policy of the IRS are ineligible for membership in the State's Pension System (PERS). There was no "grandfathering" provisions under N.J.S.A. 43:15A-7.2. The municipalities were required to remove them from the pension rolls.

It appears that two individuals who are enrolled in PERS do not meet the requirements under the statutes. The Borough is awaiting an opinion from the State Division of Pensions.

Revenue Departments

General:

- 1) We were unable to reconcile revenue submitted by the various Borough departments to the finance office records.
- 2) In order to ensure that all fees from departments are collected and transmitted to the finance office, the Borough should issue duplicate receipts for all collections (cash, check or credit cards). Permits/license books should all be pre-numbered and be under the control of a designated employee. When permit/license books are distributed that employee should sign a control sheet listing the permit/license numbers of the books that are being taken. This procedure would establish an accounting for all fees collected and transmitted to the finance office.

Parking Permits:

- 3) Some fees included on the Borough's application form are not part of the fee ordinance.

Construction Code:

- 4) Fees charged for permits were not in agreement with the Borough's ordinance, the new fees for 2013 were not uploaded to the software program used by the Borough.

Animal Control:

- 5) Monthly reports were not prepared and the third quarter payment was not made.

It is recommended that:

- 1) Greater care be taken by those posting revenue collections to ensure that the proper accounts are charged.
- 2) All fees collected for parking permits be included in the Borough ordinance.
- 3) Fees charged by the Construction Code Department be updated annually to the software program to ensure that the proper fees are charged.
- 4) Monthly reports be prepared by Animal Control and payments to the State be made timely.

Pool Utility

- 1) Membership applications were not available for review and there were no contract agreements for birthday parties.

It is recommended that:

- 1) Membership applications be available for review and contract agreements be prepared for all special events.

Encumbrance System

In accordance with regulations issued by the Division of Local Government Services, all local units are required to maintain an Encumbrance Accounting System. Although the Borough of Glen Ridge does maintain such a system, not all departments are adhering to the procedures that are in place. We noted instances where purchase orders are processed as confirming orders. This is where the goods have been received or services rendered without purchase orders being encumbered against budgetary appropriations. Confirming orders greatly increase the risk of possible over expenditures of funds.

It is recommended that all departments adhere to the required policies and procedures to ensure compliance with state requirements.

Payroll Account

- 1) Clothing allowances paid to the police employees were not included under state taxable wages.
- 2) Employee health deductions were not calculated correctly for 2013 as per the state requirements. The health waiver calculation was also incorrect.

It is recommended that:

- 1) Clothing allowances be included in the individuals W-2 for state wages.
- 2) Employee health deductions be properly calculated in accordance with all applicable laws and regulations.

Employee Response:

- 1) The above recommendations were corrected in 2014.

Tax Collector

- 1) The detail listing overpayments was not in agreement with the general ledger and the actual activity that occurred. Properties were sub-divided during the year and previous payments were to be applied to the sub-divided properties. These payments were incorrectly applied resulting in an overpayment report that was in error. Audited adjustments were made to reflect the actual overpayment amount.

It is recommended that:

- 1) Overpayments from tax collections be properly calculated.

Capital Fixed Assets

The Borough established a capital fixed asset accounting system in 2000. However, the Borough has not maintained and updated the records.

It is recommended that the Borough update and maintain on a contemporaneous basis their capital fixed asset accounting system.

General Trust Accounts

Certain accounts included in the General Trust Fund may be subject to the provisions of the Dedication by Rider, N.J.S.A. 40A:4-39 as detailed on Exhibit "B-9", "Reserve for Special Deposits". Expenditures are being made from revenue collections which is not in accordance with the provisions of N.J.S.A. 40A:4-57, which states:

"No officer, board, body or commission shall, during any fiscal year expend any money, incur any liability, or enter into any contract which by its terms involves the expenditure of money for any purpose for which no appropriation is provided..."

It is recommended:

That certain trust accounts be reviewed by Borough officials for possible inclusion in the municipal budget under the provisions of Dedication by Rider, N.J.S.A. 40A:4-39.

Status of Prior Years' Audit Recommendations

In accordance with regulations promulgated by the Single Audit Act and the Division of Local Government Services, all municipalities are required to prepare and submit to the Division of Local Government Services, a Corrective Action Plan with regard to audit deficiencies. This plan must be approved by formal resolution of the Governing Body and submitted within 60 days from the date the audit is received. A plan was prepared for items found in the 2012 Report on Examination of Accounts.

A review was performed on all prior years' recommendations and corrective action was only taken on one of last year's recommendations, which was to prepare a salary ordinance for pool personnel.

Following are the prior year recommendations included in this year's audit:

Encumbrance System:

That all departments adhere to the required policies and procedures to ensure compliance with state requirements.

Capital Fixed Assets:

That the Borough update its capital fixed asset accounting system.

General Trust Accounts:

That certain trust accounts be reviewed by Borough officials for possible inclusion in the municipal budget under the provisions of Dedication by Rider N.J.S.A. 40A:4-39.

Miscellaneous

A statutory report on the operations of the Municipal Court was prepared as part of our examination and copies filed with the New Jersey Administrative Office of the Courts, the Division of Local Government Services, the Municipal Court and the Borough Clerk.

Revenue and receipts were established and verified as to source and amount only insofar as the local records permitted.

A statutory report summarizing collections of Dog License Fees and remittances of State Registration Fees was prepared and filed with the New Jersey Department of Health and the Division of Local Government Services.

A separate Trust Fund for State Unemployment Insurance Compensation is detailed in Section "B" herein.

All sums of outstanding checks shown in cash reconciliations, herein, are in agreement with the records of the Treasurer.

A copy of this report was filed with the New Jersey Division of Local Government Services.

A summary or synopsis of this report was prepared for publication and filed with the Borough Clerk.

RECOMMENDATIONS

Accounting Procedures:

That purchases be made through the Borough's purchase order system and that reimbursements to employees be kept to a minimum.

Revenue Departments:

That departmental revenue be posted correctly by employees having that responsibility.

That all fees collected for parking permits be included in the Borough ordinance.

That fees being charged by the Building Department be uploaded to the software system on an annual basis.

Monthly reports be prepared by animal control and payments to the state be remitted on a timely basis.

Pool Utility:

That membership applications be available for review and contact agreements be prepared for all special events.

Payroll Account:

That clothing allowance paid by the Borough be included in the employees W-2 for state wages.

That employee health deductions be properly calculated.

Tax Collector:

That overpayments from tax collections be properly calculated.

Encumbrance System:

That all departments adhere to the required policies and procedures to ensure compliance with the state requirements.

Capital Fixed Assets:

That the Borough update its capital fixed asset accounting system.

Dedication by Rider:

That certain trust accounts be reviewed by Borough officials for possible inclusion in the municipal budget under the provisions of Dedication by Rider, N.J.S.A. 40A:4-39.

RECOMMENDATIONS
(Continued)

The foregoing comments and resultant recommendations are not of sufficient materiality whereby they would affect our ability to express an opinion on the financial statements taken as a whole.

We shall be pleased to confer with the members of the Borough Council on questions that might arise with respect to any matters in this report.

We desire to express our appreciation for the assistance and courtesies rendered by the Borough officials and employees during the course of our examination.

McLennan, Brady, Company, LLC

Livingston, New Jersey
June 6, 2014

John Lauria

John Lauria, RMA
Licensed Registered Municipal Accountant #403